

Bush Says Killing Is 'Outrage'

President Decries Officer's Death In Panama City

The Associated Press
WASHINGTON — President George Bush on Monday called the weekend slaying of a U.S. military officer in Panama "an enormous outrage" and said he was reviewing possible responses. He did not rule out military action.

In other developments:
• A U.S. officer shot and wounded a Panamanian corporal Monday near an American military installation, a U.S. Southern Command official said.

• Panamanian officials said that the U.S. commanding general had threatened to invade the country unless Panama explained the weekend killing.

"I think a president, all presidents, have options, but they don't discuss what they might be," Mr. Bush said. He repeated that when asked if military action was among the options available. Mr. Bush called the U.S. failure to drive General Manuel Antonio Noriega from power in Panama "an enormous frustration."

Questioned about General Noriega's declaration of a "state of war" between Panama and the United States, Mr. Bush said, "I've taken note of his statement."

Source said a high-level inter-agency group was meeting Monday at the State Department to discuss options on Panama.

Mr. Bush's remarks followed the shooting Saturday night of an officer who was in a car with other Americans trying, according to U.S. officials, to flee a crowd of Panamanian troops and civilians.

The incident Monday, the U.S. official said, occurred in Panama City near Southern Command headquarters. "There was something that made the lieutenant think that the PDF guy was going for his weapon, so he fired," he was referring to Panama's National Defense Forces.

Mr. Bush also said his administration was undertaking a "massive re-evaluation of intentions as well as military threat" by Soviet allies in light of the radical political changes sweeping Eastern Europe.

The administration blamed General Noriega for the weekend violence. The White House spokesman, Martin Fitzwater, condemned "a climate of aggression," there and said that the general seemed to have permitted a "license for harassment" against Americans.

Mr. Fitzwater said that in a previously unreported incident, weapons and radios were taken away

Kiosk

German Crash Kills U.S. Pilot

The Associated Press
FRANKFURT — Two U.S. Air Force F-16 fighters collided in flight near a densely populated area of West Germany on Monday, sending one of the jets crashing into a wholesale vegetable market, officials said.

There were no reports of injuries on the ground, but police said that one of the pilots was killed in the crash, near Ludwigshafen, about 100 kilometers (60 miles) southwest of Frankfurt.

General News

The U.S. revealed an earlier secret visit to Beijing. Page 6.

Fernando Collor de Mello was leading in the Brazilian presidential race. Page 6.

Business/Finance

The Bank of France raised key interest rates to defend the sagging franc. Page 9.

Style

The fashion world has returned to the round and voluptuous woman. Page 8.

Crossword

Dow Jones	The Dollar
2,997.53	In New York
Down	DM 1.722
42.02	Pound 1.606
	Yen 143.85
	FF 5.681

To Readers in France

A labor dispute in France involving deliverers and the national distribution agency interrupted the sale of newspapers, including the International Herald Tribune, at most newsstands throughout the country over the weekend and on Monday. The dispute also affected some mail deliveries.



Thousands of mourners accompanying the cortege of Andrei D. Sakharov, the late human rights champion, on his final journey through Moscow on Monday.

Gorbachev Joins Masses in Farewell to Sakharov

By David Remnick
Washington Post Service

MOSCOW — Mikhail S. Gorbachev stood in a cold rain Monday and waited to pay his respects to Andrei D. Sakharov. The leader of a state that had once condemned and exiled Mr. Sakharov was now, on the day of the funeral, expressing muted, official regret.

Mr. Sakharov, the leader of the Soviet human rights movement and a symbol of moral strength equal to Mahatma Gandhi or the Reverend Martin Luther King Jr., was buried in Vostryakovskoye cemetery at the edge of Moscow in the early winter darkness. His widow, Yelena G. Bonner, stroked his cheek and kissed him on the forehead before the coffin was finally closed for the last time and lowered into the earth.

The day-long farewell to Mr. Sakharov, who died Thursday aged 68, included an outdoor civil service attended by tens of thousands of his supporters, a funeral

cortege that went on for more than two hours and memorial services in cities throughout the Soviet Union.

And yet it was the first moments of the day, when Mr. Gorbachev and seven other members of the Communist leadership arrived at the Academy of Sciences to express their condolences, that will mean the most to history.

The string of black government limousines pulled into the Academy's long driveway at about 9:30 A.M. President Gorbachev, followed by Prime Minister Nikolai I. Ryzhkov, Alexander N. Yakovlev of the ruling Politburo and other top officials, walked from their cars and stood in the cold near a raised platform with red bunting.

After the funeral cortege arrived and Mr. Sakharov's coffin was hoisted onto the platform, Mr. Gorbachev shook hands with Mrs. Bonner, a woman of ferocious loyalty to her husband throughout their years of struggle with the authorities, and they held a private conversation.

As a member of the honor guard lifted the lid of the coffin, Mr. Gorbachev took off his hat and stepped to the

foot of the casket, flanked by his aides. They stood in silence, staring solemnly at Mr. Sakharov's pale, regal face. Someone held a black umbrella over the coffin.

Before leaving, Mr. Gorbachev, who three years ago brought Mr. Sakharov home from nearly seven years of banishment, said that he and the Nobel Peace laureate had had "relations of mutual respect" despite frequent disagreements.

"We will feel his absence," Mr. Gorbachev said, "but perestroika will go on."

Mr. Sakharov won his Nobel prize in 1975, an event then seen by the Kremlin as a humiliating international endorsement for activities it regarded as traitorous and anti-Soviet. Asked about Mr. Sakharov's award, Mr. Gorbachev said, "It is clear now that he deserved it."

Mr. Gorbachev and the leadership left in their limousines and the funeral cortege moved on to the Lebedev

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Leipzig Marchers Seek to Cool Passions on Unity

By Serge Schmemmann
New York Times Service

LEIPZIG, East Germany — Marchers in Leipzig swapped most of their banners for candles and their chants for silence Monday to commemorate "victims of Stalinism" — and also to cool passions that have begun to flare in recent weeks over the issue of German reunification.

The march came on the eve of the first official visit to East Germany by the West German chancellor, Helmut Kohl, who will meet with Prime Minister Hans Modrow in Dresden on Tuesday. Mr. Kohl is expected to announce a multi-billion-Denmark mark package of assistance to East Germany, and the popular reaction to his visit will be watched for indications of East

German sentiments toward Bonn. In anticipation of Mr. Kohl, about 10,000 demonstrators marched Monday in Dresden demanding unity. Many carried West German flags and shouted "Germany, one fatherland," and one of their banners declared, "Socialist shortage economy — no thanks." There were also reports of a demonstration by 30,000 in Karl-Marx-Stadt demanding reunification.

In East Berlin, governing parties and opposition movements held their second roundtable session and issued a resolution calling on Mr. Kohl and Mr. Modrow to expand economic cooperation, but adding that "the sovereignty and state identity of each of the two

German states must not be questioned by either side."

The cautionary note reflected the position of the Communist Party and its allies, and of the main opposition grouping, New Forum, which would prefer to see an East German socialist democracy. Other groups, like Democratic Awakening, also expressed their

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Moon Race Was Real, Moscow Now Admits

By John Noble Wilford
New York Times Service

NEW YORK — After years of denial by silence and misinformation, the Soviet Union has disclosed that in the 1960s it was indeed racing the United States to be first to send men to the moon.

U.S. aerospace engineers returning from Moscow reported Sunday that they were shown for the first time a spacecraft that Soviet engineers told them was ready to go to the Moon in 1968, a year before the Apollo 11 mission made the first landing on July 20, 1969.

The Soviets disclosed that repeated failures of a booster rocket delayed the program and eventually caused its cancellation in the early 1970s.

One of the Americans, Dr. Edward F. Crawley of the Massachusetts Institute of Technology, said that the lunar-landing craft and Earth-return module he and his colleagues inspected and the descriptions they heard were "confirmation that the Soviets did have a well-developed lunar-landing program." Previously, he said, "the evidence was entirely circumstantial."

Soviet space officials, including Dr. Vasili P. Mishin, who was the chief designer of the lunar program, have also begun to divulge details of their moon plans. In an interview in Pravda in October, Dr. Mishin seemed to signal that it was now permissible under the policy of *glasnost*, or openness, to discuss the program.

U.S. authorities on Soviet space activities said the disclosures were the most definitive evidence yet that there had been a "moon race." They said this vindicated U.S. officials who during the Cold War invoked the threat of Soviet competition to promote an accelerated space program and the \$25 billion Apollo project to put men on the moon by the end of the 1960s.

At the time, Soviet officials either denied the existence of their

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Soviets and EC Sign Economic Cooperation Pact

By Edward Cody
Washington Post Service



Mr. Shevardnadze, left, and the French foreign minister, Roland Dumas, representing the EC, signing the pact Monday.

BRUSSELS — The Soviet Union signed a 10-year trade pact with the European Community on Monday night, opening the way for greater participation in Western commerce by the changing Soviet economy.

Foreign Minister Eduard A. Shevardnadze, who signed on behalf of the Soviet Union, said that the new agreement constituted another step in the political and economic changes sweeping across Eastern Europe "at this historic moment when the Cold War is over."

"This is a result of a gigantic effort made by the peoples of Europe to overcome political and military confrontation, to overcome the economic division of our Continent," he said.

Mr. Shevardnadze placed in the same context his visit for Tuesday to the Brussels headquarters of the North Atlantic Treaty Organization. In a gesture heavy with symbolism, he minister has scheduled talks with the NATO secretary-general, Manfred Wörner, and a brief reception with ambassadors

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At Rockefeller Center, Dark Mood (and Humor) Over Sale to Japanese

By James Barron
New York Times Service

NEW YORK — Richard Colby was upset. Then he was standing on the studio-audience line for the "Donahue" show at 30 Rockefeller Center, saying he did not like it one bit that a Japanese corporation was now the building's majority owner.

"Certain things are sacred," said Mr. Colby, a Long Island Rail Road engineer. "Radio City, the tree. What are they going to do, have a bonfire now that it's 51 percent Japanese?" Each Christmas season, a huge tree is erected at the center.

Outside, a woman has been selling T-shirts that say, "Welcome to Wokefeller Center."

Upstairs, where NBC has its New York studios, the comedy shows have been making jokes after joke in the weeks since Mitsubishi Estate

Co. agreed to pay \$846 million for a controlling interest in the Rockefeller Group, which owns Rockefeller Center.

One night soon after the sale was made public, a longtime NBC announcer, Bill Wendell, began, "From New York, a subsidiary of Mitsubishi, it's 'Late Night With David Letterman.'"

Later, three Japanese men with briefcases were shown handing Mr. Wendell fistfuls of cash in return for buildings on the New York skyline behind Mr. Letterman's desk.

And last Wednesday, Mr. Letterman showed off a paperweight replica of Macy's, the department store. "A New York City landmark," he said, "the perfect gift for any Japanese child."

Of late, Japanese investors have been paying big bucks for sizable, visible chunks of the American landscape, from Hollywood to Wall Street. Weeks after the Rockefeller Center sale was announced and Sony Corp. said it was paying

\$3.4 billion for Columbia Pictures, the inhabitants of that landscape are still anxious and, to some extent, angry.

And the gloom-and-doom predictions and the nasty humor about the Japanese continue.

There are people who do not pretend to understand the intricacies of high finance that went into the Rockefeller Center sale — people who under ordinary circumstances have a hard time balancing their checkbooks.

But now they are asking each other whether the Japanese buying spree is a sign of confidence in the American economy or a sign of its demise.

On another level, some people are expressing concern about Japanese investors and investments in ways that others find distasteful. Norman Siegel, the executive director of the New York Civil Liberties Union, said verbal assaults against Japanese-Americans had surged since the Rockefeller Center sale.

"It's a xenophobic, knee-jerk response that some people still think they're fighting World War II," he said.

Some say that with all the changes in Eastern Europe, Communist-bashing has lost its sting and the Japanese suddenly are easy targets of humor or, worse, hate.

That has made the past few weeks a difficult time for Japanese who work in the United States, even though less than a fifth of the first-class commercial office space in Manhattan is foreign-owned.

The Japanese rank well behind the Canadians in their holdings and have only recently surged past the British and the Dutch.

"The judgment of the American people about Japanese buying American real estate is a cause for concern," said Akiko Iimura, the editor in chief of OCS News, a newspaper published for Japanese in the United States.

"They feel they are very good to Americans," he said. "However, they see a lot of anti-Japanese feelings."

Scott E. Pardee, co-chairman of Yamaichi International (America) Inc., the New York subsidiary of a Japanese investment house, said he was troubled that people "are relying on stereotypes based on some image they have in their minds that doesn't relate directly to the people I'm working with or the people I know."

"The problem with it is the numbers are big and they've happened very quickly," Mr. Pardee said.

But, as Mr. Pardee and others point out, the numbers are not as big as most of those who criticize the Japanese seem to think.

Before the Rockefeller Center sale, which added 15 million square feet (1.35 million square

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Romanian Riots Reported to End In Brutal Clashes

Compiled by Our Staff From Dispatches

VIENNA — Romanian police opened fire on protesters during anti-government riots, travelers arriving from the region said Monday. Reports on casualties varied widely, with some sources reporting a heavy death toll.

A Yugoslav traveler said that at least two people, including a child, were killed in Timisoara during the largest anti-government protests in Romania in two years.

Radislav Dencic, a graduate of Timisoara University who was in the city for a week and returned to Yugoslavia on Monday, said security forces shot at the protesters from the street and from helicopters.

Mr. Dencic said he had personally seen three dead bodies, including the corpse of a child wrapped in white linen and lying on a street in Timisoara.

"Hundreds of people were falling on the pavement in front of my eyes," he told reporters.

Two Romanian youths who fled to Hungary early Sunday said they had also seen dead bodies on the streets of Timisoara, a town of 200,000 people near the Yugoslav and Hungarian borders.

Western diplomats contacted by telephone in Romania said security forces guarded the Otopeni international airport at Bucharest and had refused to allow a plane carrying about 200 Western tourists to land.

A Swissair flight to Bucharest returned to Zurich with 52 aboard on Monday night after its passengers also were barred from leaving the airport, airline sources said. There was no immediate official explanation.

The State Department said Monday that the United States planned to protest Romania's violent repression of the demonstration.

"Our ambassador right now is determining what form our protest will take," said the State Department spokeswoman, Margaret D. Tutwiler.

She described violent clashes in the western city of Timisoara that stemmed from the Romanian government's attempt to evict a Hungarian priest, Laszlo Tokes, from his church in that city.

"Several hundred members of Tokes' congregation apparently launched a demonstration Dec. 16 in support of his refusal to vacate the church premises," Miss Tutwiler said. "The demonstration apparently grew in size and took on an anti-government tone."

"On Dec. 17, government security units brutally put down the demonstration with the use of truncheons, tear gas and water cannons. There are also unconfirmed reports of gunfire. At this

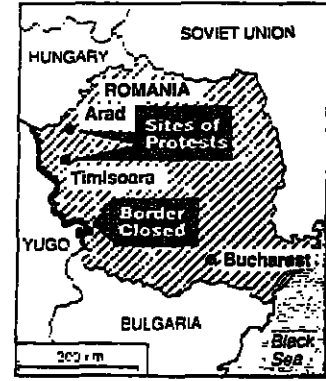
time I cannot confirm any casualties or the use of gunfire."

President Nicolae Ceausescu on Monday began a three-day official visit to Iran.

Agence France-Presse reported from Vatin, Yugoslavia, that two Syrian medical students who crossed the border Monday said they had seen hundreds of casualties in Timisoara.

The witnesses said that they had seen "at least 1,000 bodies during Sunday in the morgue," adding that they had all been shot.

But other reports put the casualty toll lower. An emigre Romanian writer, William Totok, speaking on West German radio and quoting sources in Timisoara, said that up



to 400 people had been killed and hundreds injured.

The head of the Paris-based Romanian Human Rights League, Mishna Berindei, told Agence France-Presse he had no confirmation of any deaths.

Zoltan Kiraly, a Hungarian parliamentarian, told legislators in Budapest that tanks were on the streets of Timisoara.

Sources said troops with tanks also sealed off the town of Arad, in western Romania, and rounded up pro-demonstration protesters. A night-time curfew was imposed in Arad, which like Timisoara was said to be calm on Monday.

The riot was the most serious challenge to the hard-line Communist rule of President Ceausescu since a workers' protest in the city of Brasov in November 1987.

Romania sealed its border with Yugoslavia on Monday to all but official traffic.

Romania's strictly controlled state-run news organizations made no mention of the unrest, but Bucharest radio warned citizens on Sunday to stay calm, indicating security forces were worried about protests spreading, as occurred in East Germany and Czechoslovakia. (Reuters, AFP, AP)

One by One, East German Party Elites Exorcise Their Stalinist Sins

By David Binder
New York Times Service

BERLIN — It is confession time in East Germany, and confessing was the order of the day at the marathon congress of the Communist Party that began on Dec. 8 and, after a weeklong pause, ended Sunday afternoon.

Comrade after comrade among the 2,640 delegates to the congress went to a microphone in the sprawling Dynamo Sports Hall to recite experiences from their lives in the service of the party. It was a way of explaining how they had arrived at the opinions they now hold about the country. It was a kind of mass purification ceremony.

The theme of this exhausting exercise was, as Professor Michael Schumann of the Academy of Law put it, "an absolute break with the Stalinist system."

That system was imposed in October 1949 at the foundation of the German Democratic Republic, and it remained in place until October 1989, when the regime of Erich Honecker was overthrown by his own disgruntled and desperate Politburo.

Often, the delegates bearing witness confessed to sins of "timidity" and "cowardice" in their failure to stand up in opposition to the overwhelming authority, backed by an omnipresent secret police.

One of the confessors, in a half-hearted way, was Mr. Honecker himself, despite the fact that on Dec. 3 he was expelled from the party he led for 18 years, that he faces criminal charges and that he is under treatment for colon cancer.

In a letter to the Central Party Control Commission, the institution that deals with comrades who stray, Mr. Honecker admitted that he had failed to grasp what was going

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on in East Germany earlier this year and was "out of touch with real life in this country."

But then he more or less took back the confession by flatly denying charges that he had abused his office or misused his power.

The Communist Party here faces three enormous challenges. It is fighting for its own political life. It is struggling at the same time to preserve the separate identity of the country against annexationist tendencies from West Germany. It is also trying in the midst of those efforts to transform itself into a democratic institution.

Like a child learning to walk, the party congress provided moments that were pathetic, moments that were startling and moments that were amusing.

On Saturday morning, for instance, there were demands from delegates to call the entire Honecker Politburo before the congress to face the delegates and take responsibility for their misdeeds.

Wolfgang Berghofer, the mayor of Dresden who presided over the session, sensed the danger of turning the convention into a star-chamber proceeding and told the

delegates he thought they should "direct their gaze forward" rather than to the past. He then called for a vote and won it handily.

A few hours later, another surprise was provided by a guest of the congress, Rudolf Bahro, a Communist journalist who was locked up for two years in the late 1970s as a dissident and who spent the past decade in West Germany.

Mr. Bahro, 54, who returned early this month and who was seen scribbling furiously in an anteroom of Dynamo Hall last week, sprang to his feet and demanded to speak for 30 minutes on his concept of changing the economy.

Amid applause and whistles, Mr. Berghofer spent the next 30 minutes calling for yes and no votes on the point of order whether a guest had the right to address the convention. A narrow majority voted to hear Mr. Bahro.

"These are democratic forms we still have to learn," a radio commentator observed.

As for Mr. Schumann's call for a total break with Stalinism, the congress seemed to have some difficulty coming to grips with it.

Professor Dieter Klein, an articulate political economist who had discussed proposed basic concepts for the regenerated Communist movement, said the party should retain its "Marxist-Leninist" philosophy.

The East German party, which has lost more than half a million of 2.3 million members since September, is also beginning to face up to its past and the origins of its current crisis, just as it begins to face the future.

Explicitly in many cases and implicitly in some, the delegates analyzed the factors that led up to the collapse of the Honecker regime.

In the first place, it proved impossible to provide a broad-based education to millions of East Germans, including college and post-graduate study, and then expect them to think only along the party line.

In addition, most East Germans have been able to view West German television programs, and all of them can listen to West German radio transmissions. But the ability to think for oneself came increasingly into conflict with the Stalinist system here, which Mr. Schumann described as one in which "the ordinary human being became a tiny cog degraded to an object of the social development and the political system."

Then there was the evolution of what some call "the second society": networks of people in an economy of scarcity and increasing deterioration. They came to depend on each other for access to emergency medical services, automobile tires and batteries, bricks and wood for weekend houses and scores of other consumer items.

This second society, operating in conjunction with and against the official Communist society, created the connections that came to life in the mass demonstrations against the Honecker regime in October.

Doctors called mechanics. Mechanics called construction workers. Construction workers called nurses. Nurses called doctors. Neighbors called neighbors. This is how

the demonstrations came to life in Frankfurt, Plauen, Dresden and, above all, Leipzig.

Then there was the powerful impact of the ascendancy of Mikhail S. Gorbachev to the Soviet leadership in 1985. But the gorbachevian leadership under Mr. Honecker refused to go along with the Gorbachev program of change and a year ago began defying it. That led to new conflicts between his illusions and East German reality.

"They lay under the sunlamp of their own orthodoxy," said a party member who attended the congress. This was the Politburo that had walled itself off from the rest of the 16.5 million population inside their compound at Wandlitz, north of Berlin, even before Mr. Honecker ordered the building of the Berlin wall in August 1961.

The tests facing the Communist Party from now on verge on the overwhelming, including the preparation of yet another — "ordinary" instead of "extraordinary" — congress sometime in March and free elections with secret ballots for the legislature on May 6.

Still, the party remains the most powerful political force in the country, having squelched any real opposition for four decades, and it also possesses the only well-defined and more or less well-known professional politicians.

The question now is whether the Communists will be able to recover from the self-destructive actions of the Honecker regime and to transform themselves into a semblance of the democratic force the East Germans so dearly yearn for.

Mitterrand Mutes Objections To U.S. Proposals on Europe

By Joseph Fitchett
International Herald Tribune

PARIS — President François Mitterrand has muted substantial French objections to U.S. proposals for a new "European architecture" for security because he believes that the U.S. plan could help regulate changes in Europe before they accelerate out of control.

This analysis of French policy was made Monday by diplomats after Mr. Mitterrand sidestepped the issue at talks last weekend with President George Bush, with a non-committal French promise to "study" the plan.

In Mr. Mitterrand's view, the diplomats said, the Bush administration's effort to promote a new political role for NATO could help Mikhail S. Gorbachev, the Soviet leader, persuade East European countries that the Warsaw Pact should be allowed to play a similar role.

In the French view, several diplomats said, the two alliances are particularly useful because they provide a framework for arms-control negotiations that are due to be concluded next year.

"By stressing a political role for NATO," a French source said, "the Americans are helping Mr. Gorbachev press his allies into accepting that the Warsaw Pact has a political role, too."

French officials also hope that energetic U.S. plans for a reinvigorated North Atlantic Treaty Organization will inhibit moves toward German reunification.

"If we don't keep both horses pulling evenly, there is going to be an accident," Mr. Mitterrand was quoted Monday as saying during his conversations with Mr. Bush. The "accident," a French presidential aide said, was the hasty reunification of the two Germanys.

This source said that Washington agreed with Paris on the need to try "slowing the fusion" by offering support to East Germany and cautioning West Germans against a step that could derail the process of reducing tensions in Europe. Mr. Mitterrand is to visit East Germany on Wednesday.

Although France shows no inclination to help the Western alliance play the larger political role advocated by the United States, Mr. Mitterrand appears equally determined to avoid any public clash with the United States over a plan that may not be realized.

Mr. Mitterrand's signal nipped off a policy debate in Paris on French objections to specific aspects of the U.S. plan unveiled in Berlin last week by Secretary of State James A. Baker 3d.

Mr. Baker's blueprint, reasserting a strong U.S. role in Europe via a remodeled NATO and new ties between the United States and the European Community, was broadly popular with Western European leaders, including French officials.

But the specific U.S. proposals on NATO, aimed partly at finding common ground on defense among the United States, France and West Germany, were met skeptically in Paris, which has viewed NATO as a vehicle for U.S. influence.

These French reservations came to light when Foreign Minister Roland Dumas publicly questioned whether NATO had a large role to play in encouraging democratic change in Eastern Europe. He also asked if NATO had a large role in coordinating the Western response to other issues, including regional conflicts and the spread of nuclear weapons and long-range missiles.

At a NATO meeting in Brussels on Dec. 14, Mr. Dumas reportedly said: "I wonder on this subject about certain tendencies to see the alliance get involved with everything in all sorts of areas."

Apparently referring to the U.S. overture for closer ties with the Community, Mr. Dumas was quoted as saying: "Let us leave to each framework its specificity if we

want it to keep its coherence and strength."

While Mr. Mitterrand has consistently argued that the European Community, not NATO, has the potential to give Western Europe more political and military weight, the French leader muffled that view after his meeting with Mr. Bush.

The U.S. plan, he said, "should be given a chance to breathe," adding that "we need to see how the situation evolves" in the next few months in Europe.

French and U.S. officials share the view that major cuts in Soviet forces in Europe can be negotiated more easily if no East European nation leaves the Warsaw Pact in the next few months, according to diplomats in Paris.

But it was unclear how far Mr. Mitterrand shared the Bush administration's view that the United States has a permanent role in European security.

A French analyst said, "French leaders operate on two levels, saying that the Europe of two blocs is dissolving into a patchwork of smaller states, but also worrying that something might go wrong in the process, so we had better keep the United States around, just in case."



Hans-Jochen Vogel unveiling his plan for German unity Monday as the Social Democratic Party congress opened in West Berlin.

Vogel Offers Alternative Path to Unity

Compiled by Our Staff From Dispatches

BERLIN — West Germany's opposition Social Democrats opened a party congress Monday with delegates warning against "dreams of a greater Germany" and affirming the legitimacy of East Germany.

Hans-Jochen Vogel, leader of the left-leaning party, said that moves toward German unity required "the consent of Germans in both states at every step" and that reunification could be achieved only in the framework of a united Europe.

Unveiling his Social Democratic Party's alternative route to German unity, Mr. Vogel said that Chancellor Helmut Kohl's 10-point reunification plan had lost credibility because of Mr. Kohl's "irresponsible" failure to recognize clearly Poland's present borders.

"All our neighbors should know we Germans have learned from our history," Mr. Vogel declared. "We threaten no one and no longer want to impose our will on anybody."

He said that the Social Democrats would "resist with the utmost vigor and determination anyone who harbors dreams of German hegemony or imagines us as a global power."

Mr. Vogel said that the party's plan had as its immediate goal a form of German confederation.

Stressing that the plan recognized the Polish-German frontier as final, whereas Mr. Kohl's did not, he said that the chancellor, "by his own behavior and his irresponsible attitude," had turned his plan "into waste paper and caused international irritation."

Mr. Kohl says that West Germany has no claims on Polish territory, which includes parts of prewar Germany, but he insists that only a European peace treaty can confirm the borders forever.

Mr. Vogel also warned West Germans against assuming they knew what was best for East Germany. He vowed that his party would "respect the wishes of the people in East Germany, however they want to form their relationship with West Germany."

He urged Bonn to provide massive aid to East Germany, saying that such "billions" would be better spent than similar amounts needed to help "additional hundreds of thousands" of East Germans survive to flee West if conditions continued to deteriorate.

Mr. Vogel unveiled the plan at a time of anxiety in the party that West Germany's job over development in East Germany is shoring up Mr. Kohl's center-right coalition government at the expense of the Social Democrats.

Wickett Institute poll last week showed a surge in the popularity of the ruling coalition to 42.4 percent from 38.6 percent before Nov. 9, when East Germany opened its borders.

Mr. Kohl is scheduled to travel to East Germany on Tuesday for a highly symbolic meeting with the progressive new Communist prime minister, Hans Modrow.

Debate on German unity is expected to dominate the three-day party congress. The session was called to adopt the party's first complete new program since 1959 and a "Berlin Declaration" setting out policy on German unity.

A former chancellor, Willy Brandt, counseled "greatest caution" in any attempt to review the special rights of the four victorious World War II allies over both Germanys.

Mr. Brandt, whose government normalized ties with East Germany in the early 1970s, drew applause when he said, "To help each other now is the Germans' first civic duty."

Markus Meckel, deputy chairman of East Germany's newly formed opposition Social Democratic Party, stressed the independence of his country and party from the West.

"For everything that can wait, leave us time to resolve it in our own country," he said in a much-applauded speech. (AP, Reuters)

Parachutist Killed in U.S.

The Associated Press

LOS ANGELES — A parachutist jumping from a 40-story building was killed when his parachute opened incorrectly and slammed him into the building, police said. The authorities identified the victim as Richard Allen Pedley.

WORLD BRIEFS

Aquino Targets 15 Mutiny Leaders

MANILA (Reuters) — President Corason C. Aquino, asserting that there would be no clemency for coup leaders, said Monday that the military would focus on tracking down and putting on trial the top 15 officers involved in the attempted military takeover this month.

She also said at a press conference that she was working on changes to her cabinet that would be announced by the end of the month or early next month, and said she supported a suggested boycott of businesses and newspapers that backed the mutineers.

Rebels involved in the abortive rebellion called Monday for a new military-backed government and far-reaching political changes, saying that the Philippines was "so sick that it needs major surgery." In a 24-point demand sent to Mrs. Aquino, a rebel leader, Gregorio Honasan, called for the end of the Roman Catholic Church's intervention in politics, changes in the justice system and an amnesty for political offenders.

Singh Sworn In by Indian Parliament

NEW DELHI (AP) — Prime Minister Vishwanath Pratap Singh was sworn in to the new Parliament on Monday, as the Congress (I) Party, which gave India three generations of leaders, became the opposition.

Mr. Singh said he would try to find a political solution to the Sikh militant movement in Punjab, which in the 1980s has claimed more than 7,000 lives. He pledged to uphold the constitution, and then walked across the floor of Parliament to shake hands with the former prime minister, Rajiv Gandhi.

Needing 263 seats for a majority, Mr. Gandhi's Congress Party captured 192 seats in the Nov. 22-26 elections. Mr. Singh's National Front coalition won 144 seats, but it has been pledged enough support by other parties to give it 283 votes.

22 Perish in West European Storms

PARIS (AFP) — At least 22 persons died in weekend gale-wind storms along the seaboard in West Europe.

The death toll in France stood at nine Monday, among them a television cameraman swept by his car into the English Channel off Brittany. The police in Britain said at least nine persons had died and that six fishermen were missing from a boat that sank in the Clyde River estuary.

There were four confirmed deaths in Spain, and four seamen were missing after a freighter sank off the west coast. Heavy flooding was reported in the south, where dams were overflowing after 42 consecutive days of heavy rains.

TRAVEL UPDATE

U.S. Says Airline Security Improves

WASHINGTON (Reuters) — Transportation Secretary Samuel K. Skinner said Monday that airline security has substantially improved over a year ago when a bomb blew apart a Pan American World Airways flight over Scotland, and he reassured travelers they should not fear terrorist attacks.

"Nothing we have seen indicates people shouldn't fly," he said on television. But he did warn passengers to be wary and to be careful about their baggage.

The State Department issued a general warning last week against possible attacks against European and American targets after reports were received of the movement of Middle East terrorist suspects in Europe. Mr. Skinner said the U.S. government would conduct flights if necessary, but has had no indication it needed to.

Pre-Holiday Travelers Jam Heathrow

LONDON (AP) — The pre-Christmas travel rush caused long lines and delays at Heathrow airport, where security has been tightened over the last six weeks, the airport said Monday.

Heathrow and six other British airports issued an appeal to passengers to leave Christmas presents unwrapped, avoid carrying party favors known as crackers, minimize the number of electronic items they pack and limit themselves to one piece of hand baggage to speed up security checks.

More than 250,000 passengers passed through Heathrow, the world's busiest international airport, during the weekend. But a spokesman said that tighter security measures ordered by the Transport Department in October did not contribute to the delays of up to two hours for check-ins. However, some travel agents issued tickets saying to check in early "in view of the increased security problems."

Air France has begun weekly flights from Lille and Maastricht to the Caribbean island of Saint Martin. The company has also increased its Paris-Saint Martin service to three flights a week from two. (IHT)

Hochief AG said it agreed to build a passenger terminal in Warsaw. Hochief, a West German construction company, said the order was worth about 176.5 million Deutsche marks (\$100 million). (Reuters)

WEATHER

EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
Amsterdam	18	10	F	12	22	10	F
Athens	18	10	F	12	22	10	F
Berlin	18	10	F	12	22	10	F
Bombay	28	20	F	12	22	10	F
Buenos Aires	28	20	F	12	22	10	F
Calcutta	28	20	F	12	22	10	F
Canton	28	20	F	12	22	10	F
Cebu	28	20	F	12	22	10	F
Colon	28	20	F	12	22	10	F
Hankow	28	20	F	12	22	10	F
Hong Kong	28	20	F	12	22	10	F
Kobe	28	20	F	12	22	10	F
London	18	10	F	12	22	10	F
Manila	28	20	F	12	22	10	F
Medan	28	20	F	12	22	10	F
Osaka	28	20	F	12	22	10	F
Shanghai	28	20	F	12	22	10	F
Singapore	28	20	F	12	22	10	F
Tokyo	28	20	F	12	22	10	F
Yokohama	28	20	F	12	22	10	F
AFRICA				LATIN AMERICA			
	HIGH	LOW			HIGH	LOW	
Algiers	28	20	F	12	22	10	F
Cairo	28	20	F	12	22	10	F
Cape Town	28	20	F	12	22	10	F
Conakry	28	20	F	12	22	10	F
Dakar	28	20	F	12	22	10	F
Harare	28	20	F	12	22	10	F
Johannesburg	28	20	F	12	22	10	F
Lima	28	20	F	12	22	10	F
Managua	28	20	F	12	22	10	F
Medan	28	20	F	12	22	10	F
Port of Spain	28	20	F	12	22	10	F
San Jose	28	20	F	12	22	10	F
Santiago	28	20	F	12	22	10	F
Tegucigalpa	28	20	F	12	22	10	F
Yokohama	28	20	F	12	22	10	F
NORTH AMERICA				MIDDLE EAST			
	HIGH	LOW			HIGH	LOW	
Atlanta	28	20	F	12	22	10	F
Boston	28	20	F	12	22	10	F
Chicago	28	20	F	12	22	10	F
Denver	28	20	F	12	22	10	F
Detroit	28	20	F	12	22	10	F
Houston	28	20	F	12	22	10	F
Los Angeles	28	20	F	12	22	10	F
Memphis	28	20	F	12	22	10	F
Minneapolis	28	20	F	12	22	10	F
Miami	28	20	F	12	22	10	F
Montreal	28	20	F	12	22	10	F
New York	28	20	F	12	22	10	F
Philadelphia	28	20	F	12	22	10	F
Portland	28	20	F	12	22	10	F
San Francisco	28	20	F	12	22	10	F
Seattle	28	20	F	12	22	10	F
Tampa	28	20	F	12	22	10	F
Washington	28	20	F	12	22	10	F
Yokohama	28	20	F	12	22	10	F

TUESDAY'S FORECAST — CHICAGO: Partly cloudy; High: 28, Low: 20. NEW YORK: Partly cloudy; High: 28, Low: 20. LOS ANGELES: Partly cloudy; High: 28, Low: 20. SAN FRANCISCO: Partly cloudy; High: 28, Low: 20. WASHINGTON: Partly cloudy; High: 28, Low: 20. PHOENIX: Partly cloudy; High: 28, Low: 20. DALLAS: Partly cloudy; High: 28, Low: 20. HOUSTON: Partly cloudy; High: 28, Low: 20. MIAMI: Partly cloudy; High: 28, Low: 20. ATLANTA: Partly cloudy; High: 28, Low: 20. BOSTON: Partly cloudy; High: 28, Low: 20. DETROIT: Partly cloudy; High: 28, Low: 20. CINCINNATI: Partly cloudy; High: 28, Low: 20. CLEVELAND: Partly cloudy; High: 28, Low: 20. PITTSBURGH: Partly cloudy; High: 28, Low: 20. RICHMOND: Partly cloudy; High: 28, Low: 20. WASHINGTON: Partly cloudy; High: 28, Low: 20. PHOENIX: Partly cloudy; High: 28, Low: 20. DALLAS: Partly cloudy; High: 28, Low: 20. HOUSTON: Partly cloudy; High: 28, Low: 20. MIAMI: Partly cloudy; High: 28, Low: 20. ATLANTA: Partly cloudy; High: 28, Low: 20. BOSTON: Partly cloudy; High: 28, Low: 20. DETROIT: Partly cloudy; High: 28, Low: 20. CINCINNATI: Partly cloudy; High: 28, Low: 20. CLEVELAND: Partly cloudy; High: 28, Low: 20. PITTSBURGH:

Slain Drug Figure Reportedly Plotted to Assassinate Bush

BOGOTÁ — José Gonzalo Rodríguez Gacha, the drug ring leader who was slain last week by the police, apparently had been planning to organize an attack on President George Bush at an anti-drug meeting in February, Bogotá newspapers reported Monday.

The El Espectador newspaper said the police were hunting a group of people with whom Mr. Rodríguez Gacha, the No. 2 leader of the Medellín cocaine ring, had met to plan the assassination.

The newspaper La Prensa said Mr. Rodríguez Gacha had planned to meet the Medellín drug ring chief, Pablo Escobar Gaviria, at a town near the meeting site of Caragena, to plan an attack on Mr. Bush.

Mr. Bush, in Washington, said he was unconcerned about a separate report that there was a price of \$30 million on his life.

Meanwhile, thousands of people thronged the streets of the city of

Pacho for the funeral of Mr. Rodríguez Gacha and his son.

He, his son and five bodyguards were killed in a shootout Friday with the police. Officials warned that they were sure there would be reprisals and that traffickers might fight over Mr. Rodríguez Gacha's immense holdings.

The killing of Mr. Rodríguez Gacha was the biggest blow against the drug barons since the government launched its anti-narcotics offensive Aug. 18. Mr. Rodríguez Gacha faced at least three U.S. indictments and was among the "dozen most wanted" Colombian drug figures listed by the U.S. attorney general for extradition to the United States.

The funeral was held a day after Mr. Rodríguez Gacha, his teenage son Freddy, and the bodyguards were buried in a common grave in Sinaleja, a city near Tolu, where they were killed.

The bodies were exhumed Sunday at the request of Luz María Celades, Freddy's mother, and put

aboard a private plane for Bogotá and then taken to Pacho, the Rodríguez Gacha's home, 45 miles (70 kilometers) to the northwest.

The death of Mr. Rodríguez Gacha, believed to be one of the wealthiest men in Colombia, raised questions over who would acquire his extensive holdings.

The army in late August seized more than 20 of his estates around Pacho. On Nov. 14, Colombian authorities found \$5.24 million in an underground cache near Pacho.

U.S. and European banks have also frozen \$61.8 million in cash and high-yield certificates of deposit held in five foreign countries. Local people described him as a benefactor who "owned" Pacho.

Drugs were high on the agenda Monday as the presidents of five Andean countries — Ecuador, Colombia, Peru, Venezuela and Bolivia — met in the second day of a two-day meeting in Ecuador's Galapagos Islands under rigid security.

In Guayaquil, Ecuador, an official said that up to 1,000 Ecuadorian troops were deployed in the islands to protect the presidents.

"The military is preparing the most absolute and rigorous security for the five presidents on their flights and at sea," an official said. The meeting is aboard an Ecuadorian ship.

Reward of \$625,000

Joseph B. Treaster of The New York Times reported from Bogotá:

The tracking and slaying of Mr. Rodríguez Gacha was helped by the extradition of a midlevel drug trafficker earlier this year and by information from Colombians seeking to collect a reward of \$625,000, an official said.

Carlos Lemos Simmonds, the highest-ranking member of the cabinet of President Virgilio Barco Vargas and his chief political adviser, also said, "It is almost certain that there is going to be a retaliation, a revenge," for the slaying.

All of the nation's security forces are on alert, intensifying patrols and road blocks that were established in the major cities as violence increased.

In an interview at his heavily guarded home, Mr. Lemos said that the extradition of José Rafael Abello Silva, a flamboyant cocaine exporter, had forced Mr. Rodríguez Gacha to leave sanctuaries in the interior to take charge of a shipment of cocaine aboard a ship docked at Cartagena. Mr. Abello Silva was extradited to the United States on Oct. 29.

"With Abello gone," Mr. Lemos said, "Rodríguez Gacha had to take care of the shipment himself."

As the police closed in, Mr. Rodríguez Gacha was accompanied by a handful of bodyguards and gunmen who work for him in the broad, Magdalena River Valley northwest of Bogotá.

Unlike the Pacho area, where thousands of Colombian peasants were on Mr. Rodríguez Gacha's

payroll on his farms, ranches, cocaine labs and air shipment points, most of the people on the coast owed him no particular loyalty and were eager to claim the reward money by informing on him.

A boatman and a farmer were among a dozen people who Mr. Lemos said will share the \$625,000.

The government is offering the same reward for the capture of Mr. Escobar. Mr. Rodríguez Gacha and Mr. Escobar had repeatedly escaped in the past because they were tipped off by informants in the security forces, officials said.

During the gunbattle, Mr. Rodríguez Gacha was finally chased down and killed by helicopter gunships as he ran across an open field, the police said. He died, they said, clutching a submachine gun.

Mr. Rodríguez Gacha and Mr. Escobar, who is still being pursued, are believed to have been responsible for hundreds of killings as their cocaine kingdom grew over the past decade.

Drug Wars in Singapore and Malaysia Show Mixed Results

By Steven Erlanger

KUALA LUMPUR, Malaysia — The television drama was hardly sophisticated, but the point was clear: a young man writhes on his bed, howling from drug withdrawal, while his family agonizes and finally decides to go to the authorities.

Malaysia's war on drugs is an intensive effort of education, advertising, testing, rehabilitation, harsh mandatory penalties for drug use and the death penalty for possession of relatively small amounts of heroin, cocaine or marijuana.

But results from the program, put into effect in 1983, and a similar one adopted in nearby Singapore in 1975, have been mixed.

Malaysian officials can report only that the country's addiction rate rose again last year, though they say they believe that in the last six years it has started to stabilize.

The number of addicts in Singapore has decreased from a high in 1976, but the problem is by no means solved there, either.

Still, experts are looking with interest at the programs, particularly Singapore's, since it is one of the few urban centers in the world where addiction appears to be declining over the long term.

Paradoxically, Amsterdam, which takes the opposite approach and permits the use of heroin in some cases, is another.

It is the death penalty in the Singapore and Malaysian programs that has received the most attention in the world's press, especially when foreigners are hanged.

Since Malaysia imposed the death sentence for trafficking, 235 people have been sentenced to death and 81 have

been hanged. The rest await appeals or execution.

In Singapore, 37 people have received the death sentence, and 25 have been hanged.

Kerry Lane Wiley, a 37-year-old Californian, was arrested on Nov. 4 on grounds of possessing 509.6 grams (18.2 ounces) of marijuana, and he thus became the first American to await a hearing on the Malaysian drug charge that carries the mandatory death sentence.

With drug use rising rapidly in the early 1980s, the government of Prime Minister Mahathir bin Mohamad identified *dadah*, or drugs in Malay, as a threat to national security and as a major incentive to violence.

In both Malaysia and Singapore, trafficking is defined as the possession of 14.5 grams or more of pure heroin or morphine, 197 grams of marijuana or hashish, one kilogram (2.2 pounds) of opium, or 39.5 grams of cocaine. Those caught with lesser amounts get a beating with the *rotan*, a bamboo cane.

Officials of both nations say they believe that without the death penalty and without rehabilitation efforts their drug problems would be far worse.

This, they say, is especially so because of both countries' proximity to the "Golden Triangle" of Burma, Laos, and Thailand, where much of the world's heroin-producing poppies are grown.

They contend, too, that their drug programs have discouraged the use of Malaysia and Singapore as transit points for international smuggling to the West.

"Punishment must be strict, or otherwise the penalty has no meaning," said Poh Geok Ek, the director of Singapore's Central Narcotics Bureau.

The view in Malaysia is as harsh, if less polite. "We hang anyone convicted who

exhausts their appeals," said Tey Boon Hwa, assistant director of the Anti-Narcotics Task Force. "We also hang old ladies, even if we don't normally publicize it. If you get caught, you face the music."

Both countries also use a British colonial legacy — preventive detention without trial — to imprison those strongly suspected of trafficking when sufficient

It is the death penalty that has received the most attention in the world's press, especially when foreigners are hanged.

evidence cannot be obtained to guarantee conviction.

Opium use has a long history in the area, especially among migrant Chinese laborers imported by the British, who controlled the opium trade early in this century.

In an interview, the prime minister of Singapore, Lee Kuan Yew, said: "Death is the best deterrent we have. We have fewer addicts now than five years ago, and fewer than we had 10 years ago."

According to Mr. Poh, Singapore, with about 2.6 million people, now has roughly 9,000 addicts, about 85 percent of them using smokable heroin.

From 1974 to the end of 1976, Mr. Poh said, the number of heroin addicts exploded in Singapore from about 100 to 13,000.

As part of a plan to reduce demand as well as supply, Singapore decided to incarcerate as many addicts as possible for treatment and rehabilitation.

By the end of the next year, 9,000 people were taken into custody, and those who tested positive for drugs were immediately sent to treatment centers by executive action. The courts were bypassed entirely, a practice that continues.

Singapore now arrests about 4,000 addicts a year, 70 percent of them repeat offenders, and about 300 traffickers, of whom 20 to 30 are subject to the death penalty.

Malaysian officials, who began their campaign eight years after Singapore in a much larger territory of 17 million people, say that at best they have stabilized the situation.

Mr. Tey estimates that the number of addicts in Malaysia now is something under 100,000, although Western diplomats say they think the figure may be as much as twice that.

Although 9,710 new addicts were detected last year, the highest figure since 1984, Malaysian officials contend that the 1988 experience was temporary and that drug use overall is leveling off.

Malaysia's main problem is money. Roughly \$22 million a year is being spent on the drug war, but even by the end of this year, there will only be about 4,000 beds in rehabilitation centers for the 100,000 addicts.

Singapore is richer and much smaller and thus has fewer budget constraints. In Singapore, addicts, though arrested, are not given criminal status. They are put into rehabilitation centers and segregated by their pattern of drug use. All who are fit and under the age of 55 are put through "cold turkey" detoxification for a week. There is medical supervision,

but no medication is provided to ease withdrawal. The point, said Mr. Poh, is to remember the pain.

Drug maintenance programs, he said, merely perpetuate addiction. Nor are addicts regarded as patients; they are seen as people with behavioral problems.

Once they are judged ready and able to quit drug use, the first-time addicts are put into two weeks of intensive physical training and equally intensive personal, group, and family counseling.

The experience is designed as "a short, sharp shock," to wean them from drugs and to make them afraid to try again.

From 30 to 50 percent of first-time addicts are then sent home, and for two years they must report to the police for urine tests on a regular schedule, undergo counseling and be subjected to surprise urine tests.

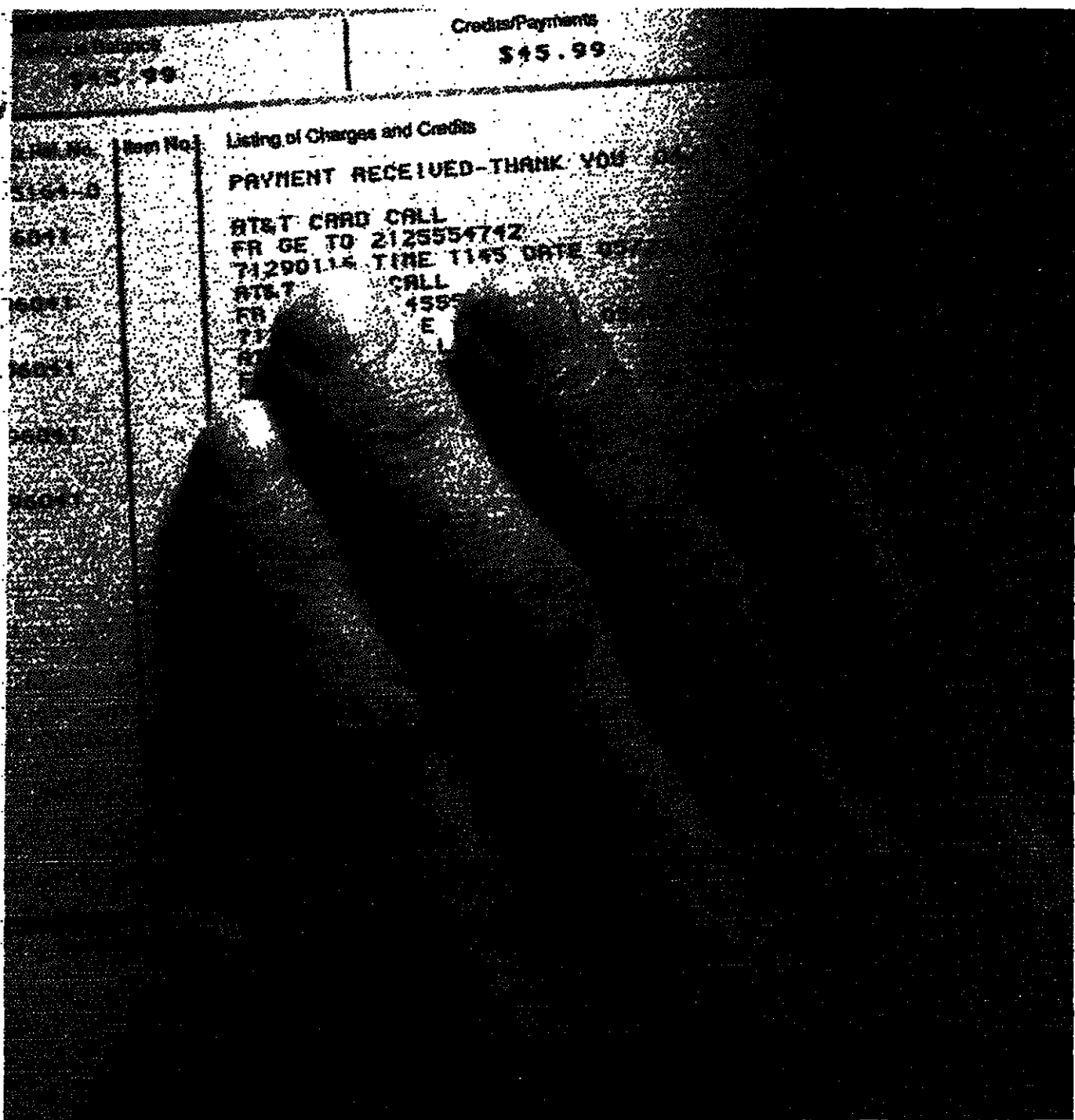
The others are at this point put in a two- or three-month course at another, harsher center. They then enter a four-month day-release program, during which they are permitted outside employment. Two years of urine tests and counseling come after that.

For those who fail these programs or who are repeat offenders, there is a longer program that can keep them incarcerated up to three years.

About 70 percent of the Central Narcotics Bureau's annual budget of \$11 million is spent on treatment and rehabilitation. Even so, Mr. Poh said, about 70 percent of repeat offenders go back on drugs — "but at least 30 percent kick the habit."

Among first-time addicts, he said, only about 35 percent currently relapse, though he admits the program is still new. The figures on repeat offenders for Malaysia are about the same, Mr. Tey said.

Quick! Who did you call on the night of May 25th?



If you're an American living abroad* and you need to keep track of your calls, you really ought to get the AT&T Card. First of all, you get a monthly itemized bill. A new option even lets you bill your AT&T Card calls to your American Express® Card account.** Or, you can choose to be billed to your VISA® or MasterCard®***

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Herald Tribune

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A Cautious Soviet Plan

The Soviet government's brand new economic plan leaves unanswered whether perestroika — economic restructuring — is moving backward or is just on hold. At first glance, the plan looks disappointing indeed. It preserves stranglehold central control and postpones perestroika's critical ingredient, decentralization of power. Secretary of State James Baker said as much on Friday in Brussels. But a good case can be made that Mr. Gorbachev is not being timid, but cautious.

He knows that economic reform will fail unless he builds a better foundation for it. But he also knows that if he waits too long, the Soviet economy will continue to stagnate, and this will impede his authority. The latest plan chooses slow over fast. The hopes of democratic reformers across the Communist bloc depend on that delicate choice.

To restructure the economy, Mr. Gorbachev must empower plant managers, not Moscow bureaucrats, to make decisions. The managers will decide what to produce, what equipment to buy and which workers to hire. But plant managers cannot make the right decisions unless they are guided by meaningful prices. Either Moscow must direct production, or the market must be allowed to set prices. As long as the price of children's shoes is kept artificially low, no factory manager would choose to make them, no matter how desperately they were needed.

Perestroika requires price reform. But Mr. Gorbachev cannot take that risk yet. The problem is that Soviet citizens are hoarding billions of rubles. They cannot spend these rubles because there is nothing in the stores worth buying. If prices were decontrolled, consumers would engage in a ferocious bidding war for scarce consumer goods, driving prices to levels that would ruin poor families.

Mr. Gorbachev has chosen not to head over that cliff. For the next several years, planners will direct Soviet factories to crank out more consumer goods. As the edge is taken off shortages, prices can then be decontrolled, presumably in stages. Decentralized decision-making can commence.

Padma Desai, an expert on Soviet affairs at Columbia University, rejects the idea that Moscow is retreating from perestroika. She cites the myriad of recent legislative proposals to redefine property rights and create financial markets. If Mr. Gorbachev pushes these reforms, perestroika will stay on track. Price decontrol can wait until it can succeed.

Economic obstacles are not the only ones that perestroika must clear. They are magnified by the opposition of millions of privileged bureaucrats who run the system and will not gladly relinquish that power. Mr. Gorbachev's decision to go slow reflects a cautious patience, not a fatal failure of nerve.

— THE NEW YORK TIMES

Something Is Missing

There is a disconcerting omission in the explanations being offered in Washington to calm the storm swirling around the Scowcroft-Eagleburger mission to Beijing. Missing is any sign that the Bush administration itself felt or still feels outrage over the Chinese massacres and repressions that created the frost in U.S.-Chinese relations.

The Bush emissaries, it is said, presented the administration as essentially powerless to resist expressions of congressional anger in the face of Chinese human rights violations. But little or no effort was reported to project that the administration itself was offended and that its sensibilities had also to be taken into account. Officials apparently do not think they undercut the overall American position on human rights by presenting the administration less as the equally offended partner of Congress than as its politically encumbered rival with its own softer views.

Perhaps it will yet turn out, as the administration plainly hopes, that the Chinese will take positive steps to repair relations with Washington. Brent Scowcroft is reported to have listed a series of actions that could help ease off the additional American sanctions that he said Congress may impose when it returns next month. The list

is said to include lifting martial law, ending the jamming of Voice of America broadcasts, halting missile sales and resolving the case of Fang Lizhi, the human rights activist who took refuge in the U.S. Embassy during the June crackdown.

If this is the way the list was presented, however, it is regrettably short, incomplete and bloodless. You would not know that China continues to jail, try and execute political prisoners, that it sentences dissenting students to harsh rural exile and that it refuses to amnesty demonstrators for democracy; in short, that China is again going the Stalinist way. These are the sorts of violations that need to be called by their true name and brought to an end.

The Bush administration professes to be conducting some type of enlightened, almost disinterested rescue mission meant to extract China from a harmful and dangerous isolation. But the isolation of China arose not from American overreaction but from Chinese deeds. Is a president who in the past has prided himself on his devotion to bargaining hard with Beijing confirming the regime in the view that crimes against the people pay?

— THE WASHINGTON POST

Castro, Fossil Marxist

Compared with the change sweeping through Eastern Europe, Fidel Castro seems a Marxist museum piece — staging show trials, jailing dissenters, resisting any dilution of dogma. Now he edges closer to an open break with his Soviet benefactors. In a recent tirade he complained that Mikhail Gorbachev's reforms were "slandering socialism, destroying its values, discrediting the party and liquidating its leading role."

He equated the "Yankee empire" with Nazi Germany. And his officials charged that U.S. forces at Guantanamo twice fired on Cuban sentries — although the Pentagon denied it. Perhaps the time has come for joint efforts by Moscow and Washington to restrain a rogue regime that depends on \$5 billion in annual Soviet aid.

Mr. Castro remains a fossil with teeth, as further suggested by the suspiciously timed guerrilla offensive in El Salvador. Moscow denies providing arms to the rebels, or approving export of arms via Cuba and Nicaragua. But what was an embarrassment at Malta to Mikhail Gorbachev was celebrated in Havana by Mr. Castro: "Just look at how those people fight." Mr. Castro's boast was an implicit rebuke to Mr. Gorbachev, who declared during his April visit to Havana: "We are against doctrines that endorse the export of revolution or counterrevolution."

He has challenged Moscow in other ways. On June 12, his troops arrested the former commander of Cuban troops in Angola, Arnaldo Ochoa Sánchez. He was ex-

ecuted on charges of drug trafficking, amid reports that his true crime was to side with Soviet advisers on strategy in Angola.

On Aug. 4, Cuba's dictator banned two Soviet publications, Moscow News and Sputnik, that he said cast doubt on Marxism. The same day, Izvestia reported that Cuba's failure to reform its economy had forced Soviet enterprises fed up with Cuban inefficiency to curtail exports.

On Aug. 6, Elizardo Sánchez Santa Cruz and other Cuban human rights activists were arrested on charges of "disseminating false information dangerous to the state," ending a brief interval of relative tolerance. Last month Mr. Sánchez was sentenced to two years in prison. A total of 27 human rights activists are now in Cuban jails.

As if to prove that he cannot be ignored, Mr. Castro boldly tests the limits of Moscow's tolerance. He simultaneously dismisses all reforms as a surrender to capitalism, and undermines a fragile peace pact in Central America. But he can play the spoiler only with Soviet aid. This leaves an opening for George Bush. In Malta he suggested a willingness to take Mr. Gorbachev at his word on the export of revolution and counterrevolution. If Mr. Bush now finally moves to disband the Nicaraguan contras, as required by the peace pact, he could more credibly ask Moscow finally to cut its arms aid to Cuba.

Fidel Castro may balk, but his bite depends on Communist allies he now scorns.

— THE NEW YORK TIMES

Other Comment

Help Vietnam to Help Itself

The House of Commons is to vote on whether Britain should resume its forcible repatriation to Vietnam of more than 40,000 refugees now sheltering in Hong Kong. Mrs. Thatcher's determination to do so has exposed her government to international accusations of heartlessness. The United States, in particular, has been sternly critical.

There are indeed good reasons for disquiet about the timing and method of Britain's attempt to expel so many desperate people. Mrs. Thatcher should reconsider her approach on humanitarian grounds, but there is more to this unfortunate matter than that. What is the reason for the latest exodus? Available evidence indicates that most are leaving for economic reasons. Vietnam, after so many years of war and unworkable economic policies, is among the world's poorest nations. Things are starting to improve, albeit only marginally. A lot more progress

would be made if Vietnam could be welcomed back into the community of nations. That it remains economically and politically isolated is partly a function of Vietnamese pride, but largely a result of American pique. The United States, not fully able to accept that the Vietnam War is over or that the Vietnamese have left Cambodia, continues to treat Hanoi as a diplomatic enemy. This is not only uncharitable but self-defeating.

It is hypocritical of the Americans to question Britain's behavior when Washington not only nurses its old grudges about Vietnam but acts vigorously to send home refugees from Haiti and other parts of the Caribbean and Latin America who seek a better life in the United States.

Only one action will resolve the Vietnamese refugee problem, and that is for the West to help Vietnam to help itself. In the meantime, Mrs. Thatcher would do well to show a little more compassion.

— The Age (Melbourne)

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OPINION

American Leadership: Still Possible, Still Needed

By Paul Voleker

The writer was chairman of the U.S. Federal Reserve from 1979 to 1987.
This is the first of two articles.

NEW YORK — One cannot help but be overwhelmed by the pace of change around the world this year, from China to Czechoslovakia. In many ways, the remarkable events of 1989 have been a triumph for American leadership in the postwar world. Yet just as we Americans are seeing the fruits of that long effort, it seems to me we are neglecting the challenge of continuing global leadership.

What worries me most is a growing sense that leadership somehow is becoming too much of a burden for us.

It has somehow become fashionable to say that we can't "afford" to do important things abroad, like providing substantial help to Eastern Europe, and that we can't afford to do even more obvious things at home, like rebuilding our cities and better educating our people.

Now, I would be the last to argue that we do not have serious imbalances in our economy and in the world economy. Our federal deficit is a central policy problem; left unsolved, it chills any new initiatives that hit the budget. We have too little. Our investment has been lagging, with disquieting implications for future competitiveness and growth.

All of that demands attention and constructive policy responses. The policy choices

may be politically difficult, but they are plainly not beyond our capacity.

Let's not confuse our political problems with lack of the resources required to support continued leadership. The margin of our economic advantage over other advanced countries has indeed narrowed, partly as a desired result of our own policies. But the United States is still the largest and richest economy the world has ever seen, by any measure, and we are far better off materially than when we gave so generously to postwar Europe.

So there are no insurmountable economic or external forces — no new burdens — that demand that we withdraw from leadership; if it happens, it will be of our own choosing.

To be sure, the nature of the challenge is changing. Leadership style and substance will need to be much more consultative. And if the Cold War is really over, military and security issues will carry less weight, and economic questions will be higher on the agenda.

We ought to be clear on another point. If it

is true that a prosperous peaceful world requires a focus for leadership, I don't think we can happily sit back and expect others to fill the vacuum. West Germany and Japan have become powerful economies, but neither have the size, the history or even the willingness to take our place. Nor, certainly for years to come, could the European Community as a whole provide the cohesion or will.

Moreover, I'm just chauvinistic enough to think that American leadership still has something special to offer. Obviously, our example has had a lot to do with the parallel growth of democracy and freer markets in South America in this decade. Now we see far more dramatic change in Asia and in Eastern Europe.

Of course, we won't be world leaders — and we can't remain a source of hope and inspiration for others — without dealing with the evident problems within our own society.

We're lucky. Unlike the East bloc nations, we don't have to change our political philosophy, our basic way of life or the nature of our economy. They have given us our strength. But we do need to shore up some areas — to satisfy both our economic needs and our sense of simple justice.

I was brought up in an era when American democracy was taken for granted. After World War II, both our status and our responsibility were clear and unquestioned. The experienced shared in overcoming depression and war had given Americans of my generation a faith in themselves and in their ideas — and in the ability of government to solve problems.

Eventually that got overdone. There was a kind of political hubris: Government and money, given enough of both, could solve anything. It didn't work out that way, and in the process of trying we occasionally lost sight of the fact that private enterprise and private incentives had to provide the economic motor.

All that bred a strong reaction. A social historian might argue that we have reverted to a more normal American approach — limited government, government dominated by a kind of spoils system, with little honor and less prestige in public service. That model may have worked in the 19th century, but I

don't think it is an image suited to today. It has always been true that some things we must do as a nation require collective responsibility and collective action.

Defense is an obvious example, but there are many others — protecting the environment, educating the young, maintaining public safety, administering justice. Through the years, society has tended to add to the list.

At the bedrock level, we had better pay more attention to rebuilding the ethic and practice of public service itself. I admit to a bias. I spent most of my career in government, and for all the frustrations, found it challenging and (emotionally!) rewarding.

Sometimes I think that happened by accident, but in fact there was some element of inheritance. My father was in state and local government pretty much all his life, and everybody in town seemed to know him and respect his integrity.

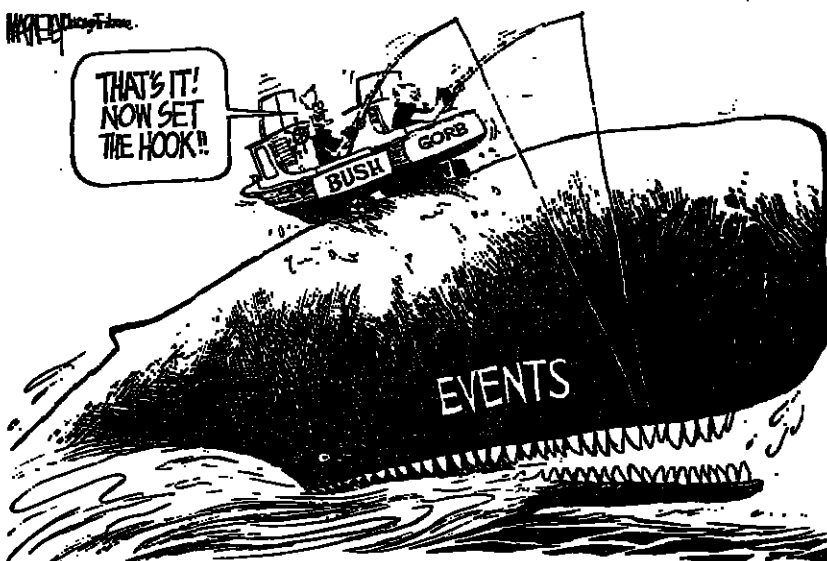
Somewhere, in the 1980s, as we decided to cut back on the size of government and to exalt our individual and private interests, we seemed to lose sight of the importance of doing well what government has to do.

A lot of experienced people have been concerned, and some of us got together a couple of years ago to form a Commission on the Public Service. We had trouble getting people to listen to our concerns.

But now those concerns are not so abstract; the noise has in fact become deafening. This year started off with stories of outright corruption in Pentagon procurement. We have gone on to influence peddling in Congress, the airing of the enormous S&L losses, political scandals in HUD — even bribery at the FDA, one of those agencies to which we once looked with some confidence and pride, satisfied that it was protecting our health.

So, it seems to me, part of keeping America strong and maintaining our leadership will rest on restoring a sense of high ethics and professionalism and challenge in public service itself. It needs to be attractive to the most talented and energetic among us, able to compete with professions that will pay a lot more.

Mr. Voleker is chairman of James D. Wolfensohn Inc., an investment banking firm, and a professor of international economics at Princeton University. He contributed this column to The Washington Post.



As the Soviet System Retracts, the Power Pattern Is Changing

By William Pfaff

PARIS — The way we think about power is challenged by events now changing the order that the world has known for four decades. Military "superpower" is useless in the crisis in the Soviet Union. It was moral failure that decisively undermined the Communist system in Eastern Europe, and economic failure finished it off.

In vulnerability to anything but nuclear attack has long been thought the defining characteristic of a superpower. But physical invulnerability comes mostly from geography and size; neither military nor economic power alone can produce it.

While it is a nuclear superpower, the Soviet Union has no serious claim to rank as a world-leading economic power, nor as an invulnerable one — quite the contrary. Soviet GNP is estimated as between \$1.9 and \$2.5 trillion in 1988, but the Soviet economy is in terrible condition, producing uncompetitive goods in conditions of great inefficiency and waste. The American GNP is nearly \$5 trillion, Japan's nearly \$3

trillion, and both those economies are innovative and efficient.

The European Community as a whole ranks economically alongside the United States, well above Japan. Both Western Europe and Japan are free, overall, of the U.S.-style debt problem, and their manufacturing sectors are powerful and competitive, while America's has been in decline.

Who will be the economic superpowers of the 1990s, or the new century? It will not be the Soviet Union, and certainly not China. In the 21st century it might not be America.

For three decades there has been a convention that China is or is about to become a superpower. President George Bush dispatched two top associates to Beijing recently to repair U.S. relations with China, at the cost of human rights principles and considerable domestic criticism, because he believes China so important that the United States cannot afford bad relations.

Why is China important? It is, in remote potentiality, a big market, but

today in economic terms Britain alone is more than half again as important. On 1988 GNP comparisons, assembled by the International Institute for Strategic Studies, China's economy is roughly equivalent to that of Spain plus Portugal.

China is a nuclear power, with a strategic nuclear force of eight intercontinental missiles, plus 12 sea-launched missiles aboard a single submarine. It has 60 intermediate-range nuclear missiles — of consequence to its near neighbors, including, of course, the Soviet Union.

But France has 18 ICBMs in silos and 96 aboard six nuclear submarines, plus a tanker-supported, two-squadron strategic air force and a medium-range "pre-strategic" nuclear force much larger than China's. By nuclear criteria France is more than six times the superpower China is. Britain, with 64 Polaris missiles on four subs, has four times China's "superpower."

Would a united Germany rank as a superpower? In strategic military

terms, obviously not. Its conventional military power, while considerable, confers no invulnerability. The West German economy (\$1,206 billion GDP in 1988) is some 20 percent larger than any other in Europe (excluding the U.S.S.R.); adding the East German economy (\$159 billion GDP) makes no dramatic change.

A united Germany would be less than a third larger than France's, half again as large as Italy's — but no larger than a combination of the French and Benelux economies. It would approach the scale of the Soviet economy, and be of vastly better quality, but France and Italy together, or France and Britain, or Italy plus Britain, would be markedly larger than a united Germany in industrial (and military) terms, and more populous as well. (The Germans have a combined population of 77.8 million. The Italian population is 57.6 million, Britain's is 57 million, France's 55.8 million.)

"Superpower" simply is no longer a useful notion for looking at the world. There are different kinds of effective power. Military power,

which has counted most since the 1940s, may now be among the less useful kinds of power. Economic and industrial power do not confer military invulnerability, but if you assume that what people want most today is material satisfaction, they are the relevant forms of power.

Even then, raw economic power is not easily translated into international influence, as the Japanese are finding out. There is a power that arises simply from a nation's knowing what it wants and directing its resources accordingly. In that respect some of the smaller countries are more impressive than the big ones.

There is a moral power that comes from educating a country's people and being serious about their well-being and the national future. Japan and the West Europeans score by that criterion. None of these forms of power provides invulnerability, but it may be the consciousness of vulnerability that confers seriousness on the nation. That could count most in the 1990s, as the old order cracks up.

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In Southern Africa, the Doctrines of Violence Are Giving Way

By Chester A. Crocker

WASHINGTON — A few years ago, the troubled southern Africa region seemed destined to become just another polarized Third World backwater, from which the dynamic parts of the world would simply disengage. But that scenario is not inevitable.

Last Wednesday's meeting between Nelson Mandela, the imprisoned leader of the African National Congress, and President Frederik W. de Klerk in Cape Town symbolized the reality that human events are shaped by individuals as well as by ideas and historical forces. All three factors will play a role in making South Africa's future.

The South African drama, moreover, is not unfolding in a vacuum. It is an integral part of the broader southern African context as well as of the global dynamics of our age.

The watershed Namibia-Angola settlement of December 1988 could open the door to a brighter future for 150 million people. Political reason prevailed over reflexive behavior, permitting leaders to design a negotiated settlement in which everyone wins. Today, South African soldiers have come home from the wars in Namibia and Angola and the Cubans are leaving Angola on schedule. ANC guerrillas are also leaving Angola, the last of South Africa's neighbors to host them.

The doctrines of violence that have

tormented the region for years — armed struggle, destabilization, official hit squads and "necklacing" — have all been discredited. If South Africans can find a common language and apply the lessons of Namibia-Angola at home, southern Africa might escape a grisly fate.

But there is nothing easy or automatic about this scenario. We in the Western world talk loosely about the "end of history" and celebrate the victory of Western liberalism in the century-old battle of ideas over how to organize society. These, however, are abstract propositions for the majority of people around the world who still live under authoritarian systems.

In most of the Third World, including Africa, the battle of the ideas continues. Marxism is a continuing plague that amounts in practice to ministerial ownership of the means of production. Leninism is far more prevalent than liberalism because

Leninism answers the question of how to seize and monopolize power in transitional societies where governments are politically accountable only to themselves.

Of all the isms, nationalism — not liberalism — is what serves as the dominant political idea outside the Western world. It comes in many flavors: irredentism, separatism,

chauvinism, fundamentalism, racism and, in many post-colonial societies, a nationalist litany of anti-Western slogans that remind citizens of the one thing they can agree on: their departed imperial enemy.

Southern Africans still take nationalism seriously as the basis for organizing politics. It remains the primary source of legitimacy for the governing elites of the "frontline states," for the South-West People's Organization in Namibia, for the ANC, the Pan Africanist Congress and for Mr. de Klerk's National Party. Throughout the region, nationalists have won the battle for independence from foreign control. Internally, the conflict of competing nationalisms is harder to resolve.

Apartment is best understood as the vision of the victorious and exclusive Afrikaner nationalism that swept into power in 1948. Afrikaner empowerment was the goal; it would be achieved by institutionalizing white control and channeling the black majority into separate, totally defined homelands. This, in other words, was to be an African version of the Soviet political and constitutional structure, complete with geographically delineated "national" republics, nominal "sovereignty" and the reality of imperial control from the center.

The remarkable transformations in Eastern Europe and the Soviet Union have a direct bearing on the clash of isms in southern Africa. Afrikaners have perceived Marxist ideology and Soviet Third World military adventurism as the enemy. (They have been silent about Soviet nationalities policy.) Much of the black opposition has held the opposite view, seeing an ally in their enemy's enemy. The death of Marxism, the "new thinking" in foreign policy, perestroika and the unleashing of nationalist ferment in the East have suddenly neutralized these perceptions. South Africans need a new political compass. It is not clear whether the government or its opposition is more disoriented.

But there is clearly something new in the air and a sense of hope in people's faces. Explanations vary: the universal sense of relief that Pieter W. Botha ("the old crocodile") is gone; Mr. de Klerk's reform moves and a refreshing rhetoric reminding his constituents that South Africa is not the private property of the Afrikaners; black opposition confidence in growing organizational clout; Mr. de Klerk's decision to give black lead-

ers some space in which to operate. But have any basic decisions been made by Pretoria and those with whom it must deal?

Not yet, in the sense of defining bold new bottom lines for a grand compromise. That would be premature. The government and its opponents still cling officially to mutually exclusive code words — "group rights" and the "transfer of power."

Neither formula is a serious response to the challenges facing the country; both will be scrapped when things ripen. Suspicion and fear bedevil the crucial tasks of defining an agenda and a forum for talks and developing a new common language with shared negotiating principles.

Yet various parties have already begun the process of pre-negotiation; this is the meaning of last week's encounter between Mr. Mandela and Mr. de Klerk. We do not know what they said to each other, or when (next month, next year) Mr. Mandela will be free, but we know that his freedom and negotiations on a post-apartheid South Africa are intimately linked.

In theory, the conditions now exist that could drive the states of southern Africa — and the leaders of South Africa — toward one another. For 30 years they have moved closer to the abyss that awaits if they fail to shape a common destiny. They have also witnessed the success of the peacemakers in Namibia and Angola and the failures of Marxism and exclusive nationalism in the wider world. Neither official repression nor insurgent violence can create a better future.

There are also more tangible reasons for hope. South Africa, the dominant regional player, is well endowed with independent newspapers, dynamic churches, quality universities and entrepreneurial and engineering genius, plus a rich array of labor unions, political movements and non-governmental institutions. There are courageous leaders in all walks of life, battling for their beliefs. The country needs to free its political leaders, black and white, from their physical and conceptual prisons. It needs more historians to rewrite a divisive past of domination and resistance. Its leaders need to accept full responsibility for their own future rather than seeking foreign allies and scapegoats.

We outsiders can help by sharing these hopes and supporting meaningful steps toward an equitable society. Above all, we should do no harm.

The writer was U.S. assistant secretary of state for African affairs from 1981 to early this year. Now a research professor at Georgetown University's School of Foreign Service, he contributed this to the Los Angeles Times.

100, 75 AND 50 YEARS AGO

1889: Grippe Grips Paris

PARIS — The influenza, grippé, or dengue — there seems to be uncertainty as to the proper name of the epidemic — is still the general topic of conversation in salons, and cafés and wherever Parisians most do congregate. The absence of frost and the heavy fall of fog that has hung over Paris for the last twenty-four hours appear to have increased its violence, and it is reported as being particularly severe in the schools, colleges, convents and barracks.

1914: Raid Condemned

ROME — Commenting on the German bombardment of the English coast, the *Giornale d'Italia* says there is nothing heroic in the raid and it does not add a very pretty page to the history of the German Navy. The *idea Nazionale* considers that the military value of the German raid is very small and the bombardment of open towns can only serve to rouse the

public spirit against the enemy. The *Tribuna* says that this violation of international law is a serious precedent for Italy, some of whose greatest cities are situated on the coast.

1939: 'Dishonorable' Exit

LONDON — The Admiral Graf Spee chose not the "honorable" way of "going down in battle" but sank itself in the fairway of a neutral state that had rendered aid to the battered Nazi ship, Winston Churchill, First Lord of the Admiralty, said tonight [Dec. 18] in a radio broadcast as he summed up British reaction to the outcome of the battle of Montevideo. BERLIN — The German press minimized the sinking. "The scuttling of the Admiral Graf Spee was learned of by the German people with more pride than sorrow," a radio announcer in Berlin declared in a broadcast. He said that, menaced by the enemy "squadrons," the captain preferred to sink his ship, adding: "It is a name which will always be uttered with pride."

OPINION

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Sakharov: The Fight Goes On

By William Safire

WASHINGTON — "Profound thoughts arise only in debate, with a possibility of counterargument," the great dissident wrote clandestinely in 1968, "when there is a possibility of expressing not only correct ideas but also dubious ideas."

Sakharov (no honorific or first name needed now; he ranks with Gandhi and Einstein, whose roles he uniquely combined) drew confidence from the conviction that truth emerged from the clash of open minds.

Mikhail Gorbachev, whose need for Sakharov's untainted re-

cord and world prestige brought the scientist back from the torture of isolation, was not as confident. This was the "debate" between them in the Congress of People's Deputies last spring about reducing the size of the Red Army.

Gorbachev: Anyway, finish up, Andrei Dmitriyevich. You've used up two time allotments already.

Sakharov: I'm finishing. I'm leaving out arguments. I have left out a great deal.

Gorbachev: ... That's all.



A Patriot Helped by the West

By David K. Shipler

WASHINGTON — On an October day in 1975, Andrei Sakharov opened the door of his apartment on Chkalov Street in Moscow, greeted the small group of correspondents warmly and invited us in. Somehow, his greatness seemed accentuated by the simplicity of his surroundings. He wore a tattered sweater and old slippers; his flat was filled with worn furniture. He obviously cared about more important things than material possessions.

It was my first encounter with Mr. Sakharov, just after he had won the Nobel Peace Prize. I was new to Moscow, and this was my introductory lesson on the power of conviction and the depth of patriotism in Soviet life.

He did not want to talk about himself or the prize, except to use it to publicize the plight of political prisoners, many of whom he mentioned by name in the hope that attention in the West would bring pressure on his government to free them. That was his constant strategy, to invoke Western pressure.

Yet he loved his country so profoundly that he told us he would not try to go to Oslo to receive the award unless Soviet officials guaranteed he would be allowed to return home.

When officials denied him permission to travel to the ceremony, citing his knowledge of state secrets as a developer of the hydrogen bomb, Mr. Sakharov was acutely offended that anyone could think that he might reveal secrets and betray his country.

Although he struggled selflessly for what we might consider Western ideals of human rights, he did so as a man steeped in his own culture, sometimes to the point of infuriating even those who admired him.

In 1976, Christopher Wren of The New York Times asked him for an interview to mark the first anniversary of his Nobel prize. In the most cumbersome style of a Soviet bureaucrat, Mr. Sakharov insisted that the questions be submitted in writing. A week or two later, he answered them — in writing.

When he called after a few days to ask if the interview had been published, Chris said he had not had time to write the article but would do so soon. What article?

Mr. Sakharov asked. There could be no article, he declared. Only the entire text of the interview could be published, unaltered.

Chris explained that The Times didn't run texts alone and that an article with background information was needed to help readers understand some of Mr. Sakharov's answers. Mr. Sakharov was adamant, insisting that he owned the interview and that The Times would surely meet his demands. "I am an unusual person," he said to Chris. "I am not just an American movie star."

"And I am not a Soviet journalist," Chris replied.

Mr. Sakharov withdrew the interview, denying the paper permission to use any of it.

If he sometimes seemed to regard the Western press as the mouthpiece of his cause — as the Communists regarded the Soviet press as the instrument of theirs — it was in a spirit of dedication, not malice. Some ordinary Soviets disliked his zeal; others admired it. An old chairman told a Soviet friend of mine: "I heard that they wanted to make the price of vodka, but Sakharov wouldn't let them."

His immense stature was forged in stubborn adversity. Only with the gentlest tact were Western correspondents able to teach him about the disorderly pluralism of the American press, and to persuade him not to make such rigid demands on the use of his words. His difficulty in this regard may have reflected the broader ambivalence in Soviet society, where the new affection for unruly debate coexists with the old reflexes of dogmatism and control.

That inner struggle is not over, as Mr. Sakharov saw plainly last week. From a Kremlin rostrum, he tried unsuccessfully to persuade his fellow members of the Congress of People's Deputies to consider eliminating the Communist Party's monopoly on power in the Soviet political system. Mikhail Gorbachev snapped at him impatiently. He had become the Soviet leader's unyielding conscience, and his absence leaves a terrible silence.

The writer is a former Moscow correspondent for The New York Times — to which he contributed this comment — and the author of "Russia: Broken Idols, Solemn Dreams."

Take away your speech, please. I ask you to sit down. Turn on the other microphone.

Just before Sakharov died, he was attempting to debate the idea — so dubious to the man in control — of ending the corrupt party's monopoly of power. But Mr. Gorbachev's imperious "That's all!" cut him off again. Debate was dangerous.

Later, with the best man in Russia safely dead, apparently (an adverb that cannot be left out) of a heart attack, the Soviet leader raced to hail "an honest man who suffered great injustice."

His funeral will be a field day for such hypocrisy, as his longtime silencers hurriedly "get right with history" in eulogizing the man they long tormented and lately tolerated. The Kremlin denied Natan Sharansky, an emigrated dissident Sakharov helped set free, a visa to attend; Mr. Gorbachev will handle the official mourning. The Bush administration is sending a low-level delegation, claiming that is what the Sakharov family wants. I wonder about that; a downplaying of America's concern for human rights is what Mr. Gorbachev wants.)

A deeper question arises: What kind of justice blesses tyrants like Pol Pot, Fidel Castro and Nicolae Ceausescu with longevity while a crusader for freedom is snatched away at the crucial moment?

That issue of the suffering of the sinless was raised by the near-hyperbolic poet who wrote the book of Job, and answered with a refutation of the pious notion of divine retribution. Don't look to God for justice; life is unfair. Cherish instead the God-given right to challenge unjust authority.

Perhaps that reflects the mixture of dismay, puzzlement and anger of millions of freedom-lovers at the sudden destruction of this generation's Job. Freedom is the most personal of matters; that makes the loss of the person who exemplified the gutsy insistence on freedom a personal blow to all of us.

I met him in Washington last year, before a dinner given by the National Academy of Sciences. When I identified myself as anti-Communist columnist, he gazed half-lidded through thick glasses and replied kindly: "There is no more important commentary than that about the relationship between the U.S. and the U.S.S.R."

My notes on the back of the menu record his response when asked if American economic cooperation would aid the cause of freedom in the Soviet Union. "Extend assistance to perestroika with open eyes," he advised. "Ensure that your money does not disappear into the sand."

He then gave a speech to the assembled scientists about the instability of the present, calling into question, I think, the law of the conservation of particles. He could see that he lost more than a few of us on that, and apologized for his impromptu reach into the arcane: "I am a poor popularizer and a poor orator. If I had written my speech, it would have been more logical and sequential. But perhaps it would have lost a sense of spontaneity and gratitude."

He had the humility that rolls over arrogance and the gentle courage that ultimately thwarts brutality. No wonder so many of his countrymen thought of him as saintly; he exhibited the infuriating self-confidence of a saint.

Few in the Soviet Union's era of glasnost dared to deliver his message about the accretion of authority in the name of "democratization": that democracy could never come from the supreme empowerment of one man.

Prime movers die but movements go on. Look at that picture of the Supreme Soviet in its moment of silence, the huge statue of Lenin looming over the memorial bouquet in Sakharov's empty chair. Those are the symbols of the Soviet debate. The obscene statue will crumble; the cut flowers will bloom.

The New York Times.

The Merry Boats of Cherbourg Turned Out to Be No Joke

By Abraham Rabinovich

JERUSALEM — Late on Christmas Eve 20 years ago, as the good citizens of Cherbourg slept off their substantial holiday dinners, five small boats with naked masts slipped unseen out of the French harbor into the teeth of a gale that had driven even large freighters into port.

The vessels, built for the Israeli navy by

MEANWHILE

a local shipyard, had been embargoed by President Charles de Gaulle. In the days before Christmas, Israeli sailors in civilian clothes infiltrated into Cherbourg and were hidden below decks. Supplies were smuggled aboard at night and the fuel tanks topped off.

The boats' ensuing run for safe haven provided the world with a holiday season chuckle at the cheekiness of the Israelis and the discomfiture of the French government, which at one point heard a proposal from a furious cabinet minister to have the French air force interdict the vessels. The cover story concocted by the

Israelis, that the boats had been sold to a Norwegian firm to service oil rigs, was dispelled when the vessels were spotted halfway across the Mediterranean after being refueled at sea by Israeli ships.

The theft by Israel of its own boats, however, was a far more substantial story than the merry caper it seemed at the time. The innocent-seeming "patrol boats" were in reality the platforms for a revolutionary concept in naval warfare whose impact would be as far-reaching as the introduction of naval cannon or metal ships.

The concept was born of desperation in the early 1960s in Haifa. With Israel's limited defense budget allocated almost entirely to the army and air force, the navy command came up with the notion of the veloping ship-killing missiles and placing them on inexpensive, small boats. Undeterred by the fact that no missile boats existed in the West, the naval command mobilized Israel's fledgling military industries and set about developing its small-

boat-big-punch concept. After years of grueling efforts, the Gabriel sea-to-sea missile system was perfected and 12 boat platforms were ordered from a Cherbourg shipyard.

Seven of the boats reached Haifa before the embargo was imposed. The Israeli government, loath to endanger relations with France, refused at first to agree to the break-out of the last five boats in 1969, but Prime Minister Golda Meir was finally convinced by the navy of the boats' vital importance.

Four years later, the navy was dramatically vindicated in the Arab-Israeli war. The Syrian and Egyptian navies had been armed by the Soviet Union — the only other country to have developed missile boats — with vessels carrying Styx missiles. The powerful Styx missiles had twice the range of the Gabriels, but Israeli experts devised electronic countermeasures that they hoped would divert the Styx. The Soviet-supplied vessels in Arab hands had no such electronic defenses.

On the first night of the war, five Israeli boats reached the waters off the Syrian port of Latakia when their radars detected Styx bearing down upon them. Raising their elec-

tronic umbrellas, the Cherbourg boats turned toward the balls of fire now visible in the sky and headed forward at full speed.

The Styx missiles, confused by the electronic bursts from the Israeli vessels, exploded in the sea. Closing to Gabriel range, the Israeli craft sank two of the three Syrian missile boats; the third beached itself.

Two nights later off the Sinai coast, the scenario virtually repeated itself — four Egyptian missile boats firing the first missile salvo, and three of them being sunk, without any Israeli losses.

The Israeli vessels would escape all 54 missiles fired at them in the war and sweep the eastern Mediterranean clear of enemy vessels in this first ever — and so far only — missile-to-missile war at sea. The spindly Cherbourg boats that had provided such lighthearted cheer on their midnight Christmas run were masters of the sea and a beacon for navies of the future.

The writer is author of "The Boats of Cherbourg" (Seaver/Holt, U.S. Naval Institute Press). He contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

Andrei Dmitriyevich Sakharov

Circumstances hardly put the two men in the same category, but one can think of no contemporary figure more deserving than Andrei Sakharov of the last words that Shakespeare has Mark Antony say over the body of Brutus:

His life was gentle; and the elements
So mix'd in him that Nature might stand up
And say to all the world, "This was a man!"

EUGENE SCHULMAN,
Geneva.

Aquino and America

Even if Corason Aquino were to resign, as Francisco S. Tatad suggests ("Let's Have Other Leaders and a Different System," *Opinion*, Dec. 11), it does not follow that corruption would disappear or that the same problems for the disadvantaged poor would not exist for many years to come.

The urgent and prudent task for U.S. foreign policy is to insist upon land reform, a more equitable system of wealth distribution, the creation of jobs and the solving of other deeply rooted social problems.

Otherwise, when the next uprising occurs the United States may find any goodwill it once had destroyed, its military facilities at Clark Air Base and Subic Bay taken over, and any hopes for a democratic Philippines just a memory.

JAMES H. HUGHES,
Chateau, France.

The Tangle Over Trade

In response to the editorial "Tokyo's Coherent Critique" (*Nov. 28*):

Clearly, fresh input is needed to put the Structural Impediments Initiative talks between Japan and the United States on the right track. The matter of business styles and attitudes, and the imbalance of business opportunities in the two countries, could be better handled

through business channels; while theoretical and analytic aspects, including values, would be suitable for discussion by scholars and intellectuals. Government representatives could then devote their efforts to searching for compromise.

Admittedly, each of these strands is related to the others. At the same time, one cannot ignore the warning signals of the overloaded government track. Nationalistic and xenophobic outbursts are already abundant. Government-level talks are increasingly strained with raw inputs from outside. The signs point toward divergence rather than convergence.

No matter what the outcome of the Structural Impediments Initiative talks, the actions and attitudes of these two major economies will set patterns for settling similar trade disputes in the future.

Both governments owe their trading partners full explanations of the ongoing bilateral talks. Disregard of the legitimate concern of third parties is tantamount to the proliferation of ad hoc, bilateral

accommodations, a sure way toward stagnation of world trade.

DON M. IKEDA,
Consul-general for Japan,
Sydney.

One reads, time and time again, that the events in Eastern Europe and the Soviet Union "prove" that Western-style free market economies are more efficient at producing wealth than are centralized economies. Yet Japan is a highly successful example of the latter.

Instead of gloating over the Soviets' problems and cringing before Japan, we in the West should soberly compare their systems, determine why the one failed and the other succeeded, and apply the knowledge gained, but only to the extent that our democratic ideals are not sacrificed.

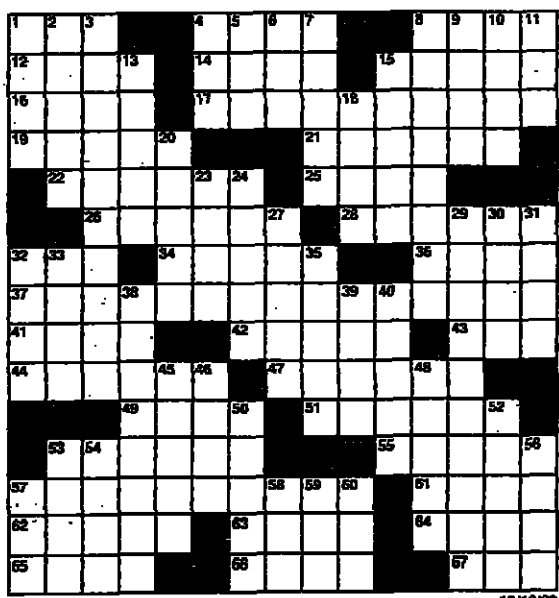
It may well be that the most significant factor is the size of a nation's military establishment. If so, this would bode ill for the United States as well.

SIMONE RICHARD,
Stuttgart.

Swissair Customer Portrait 18: Dieter Meier, producer, Zurich, photographed by Isabel Snyder.



- ACROSS**
- Holbrook or Under
 - Horne's reward
 - Whimper
 - Soft drinks
 - Hayworth or Moreno
 - Strayed
 - Split
 - Obese
 - Theme
 - More tranquil
 - Seashore sales
 - Standout
 - Oriental, e.g.
 - Worships
 - Press for payment
 - Chew the scenery
 - Farm building
 - Needy
 - Lynch poems
 - Threshold
- DOWN**
- Damage
 - Adieu, in Madrid
 - Southpaw
 - Golf-club V.I.P.
 - Actress Ullmann



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- Solution to Previous Puzzle**
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|------------|---------|------|
| ERAS | ROARS | WIT |
| TANK | ARRAY | JADE |
| AFTERMATHS | ATES | |
| STEWARDS | STALEST | |
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| TOE | BAKER | MOIL |
| ENDALLS | CHAFES | |
| ALIEE | RIN | |
| INTERNS | DESIRE | |
| LAIN | CHEAPS | KATE |
| ELG | SHOES | NANS |

- Navajo's foe
- Traveler Polo
- Kind of pair
- Prod
- Comic Lou
- N.Y. summer time
- Pig pads
- Hunted lampreys
- Historic frontier post in Pakistan
- Advertising throwaway
- Aladdin's was magic
- Stable sound
- Agitates
- College linesman
- Gen Rob't
- Upgrades the lawn
- Twosomes
- Tear down
- Oust
- Legal necessities
- Concerning
- Bulwer-Lytton novel
- Rhone feeder
- Corn units
- Dark grayish blue
- Kind of rocket
- Manhandle
- Lead-pipe cinch
- Islandic work
- Arabia's Gulf of
- Periods of prosperity
- Assist
- Acknowledge silently
- Skid-row attraction

As Rightist Leads Brazil Vote, Markets and Currency Rally

United Press International

RIO DE JANEIRO — Fernando Collor de Mello, a free-market advocate, appeared certain of victory Monday in Brazil's presidential election, triggering a rally of the country's currency and stock markets as investors showed their relief at the defeat of his leftist opponent.

All Brazilian television stations and unofficial vote counts declared Mr. Collor the winner in Sunday's election, although the official count was slow and was not expected to show a clear victory until Tuesday.

President José Sarney's personal assistant declared Mr. Collor the victor, but he warned that the vote count remained unofficial.

"We believe the victory of Mr. Fernando Collor de Mello has already been consummated," Augusto Margazão, who holds the post of secretary to the president, said in a television interview.

The most widely quoted unofficial count, compiled by Globo TV on the basis of an unofficial tally of 86.8 percent of the vote, showed Mr. Collor with 32,096,342 votes compared to 29,019,012 for Luis Inácio da Silva of the leftist Workers Party. The Globo owner, Roberto Marinho, is a supporter of Mr. Collor's.

The official count Monday gave Mr. Collor only a slight edge, 11,741,543 votes to 11,412,109 for Mr. da Silva, with 33.8 percent of the vote counted. The winner will serve a five-year term.

Investors reacted favorably to

the apparent defeat of Mr. da Silva, whose platform included a default on Brazil's foreign debt and possible nationalization of banks.

Mr. Collor, 40, a former governor of the northwest state of Alagoas, advocated cutbacks in spending to control inflation and promotion of a market economy with a reduction of the role of the state.

The Bovespa index of the São Paulo stock exchange rose 8.6 percent Monday, while the Rio de Janeiro stock market index rose 8.2 percent. Brazil's monetary unit, the cruzado, gained against gold and the U.S. dollar.

Mr. da Silva, 44, a former labor leader and founder of the Workers Party, had pledged to convert Brazil into a socialist state.

[Mr. Sarney said Monday that he would turn the office over to his elected successor before his term expires March 15. If Congress wished, the official news agency Radiobras said, Reuters reported from São Paulo. It was the first time that Mr. Sarney had spoken of stepping down early.]

The vote was the first direct presidential election in Brazil since 1960.

Brazilians Celebrate

James Brooke of The New York Times reported earlier from Brasília.

As soon as the nation's 250,000 polling places started to close, Brazil's cities exploded in impromptu,

exuberant celebrations of the nation's step toward full democracy.

Streets were clogged with horn-blowing caravans, their occupants waving the red banners of Mr. da Silva or the green and yellow banners of Mr. Collor.

Leaders of Mr. da Silva's electoral coalition, the Popular Brazil Front, complained to the election authorities that owners of private bus companies in two large coastal cities, Salvador and Fortaleza, kept their buses from running to prevent voters from reaching the polls.

Support for Mr. da Silva had surged in recent days, narrowing his deficit in Gallup polls from 14 percentage points to half a point.

For many Brazilians, the election marked the end of an authoritarian era that began with the military coup of 1964. Although the last army general stepped down as president in 1985, Mr. Sarney was chosen by an electoral college under the arrangement through which the military yielded power.

"This is very moving, to vote for the first time — it's like scoring a goal with my ball," said Washington Rodrigues Pereira, a Collor backer, as a deafening caravan of da Silva supporters drove by.

The vote ends a nine-month, largely peaceful campaign in which debates revealed wide opposition to the resumption of payments on Brazil's \$110-billion foreign debt, the largest in the developing world.

JAPAN: Sale's Aftermath

(Continued from page 1)

meters) to Japanese holdings, the Japanese owned or controlled 14.3 million square feet in Manhattan.

Americans who work for Japanese companies say that when the conversation turns to where they work, it suddenly takes on a harder edge.

"The first thing people say is you're a traitor," said one woman who works for a Japanese-owned trading company in Manhattan.

Perhaps nowhere in New York is that higher profile a source of more anxiety than in Rockefeller Center, where, even weeks after the Mitsubishi sale was announced, people criticize the Japanese.

"You want to know the truth — they're getting back at us for the atomic bomb," said Charlie Cacioppo of Franklin Square, New York, who had come to Rockefeller Center to see the Christmas tree.

"What we did to their cities, now they're trying to do to us by taking over our city. It's time to play hardball. We worked hard for this, and now they're taking it away. Soon everyone will be working for them."

Mr. Cacioppo already does. He said he is a salesman for a Nissan dealer in Queens.

Gerald Curtis, the director of the East Asian Institute at Columbia University, observed:

"The Japanese may buy a big building or part of Rockefeller Center, but they can't bring it back to Tokyo. It's still there — it means that Japanese money is in the U.S. economy. It's one way to recycle Japanese surpluses."

Czech Opposition Group Delays Plan to Reorganize

Reuters

PRAGUE — Czechoslovakia's opposition movement, Civic Forum, has delayed moves to turn itself into a permanent organization dedicated to democratic change, saying "technical reasons" prevent such a step at the moment.

Civic Forum, a loose coalition of opposition groups founded a month ago, was to have begun a policy-making session on Monday. But a spokesman said that the meeting has been put off until Saturday.

The Communist Party is preparing its own emergency congress to discuss how to respond to demands for change. Karel Urbanek, the new party leader, said that a main task for the congress, to be held Wednesday and Thursday, would be "to cleanse the party at all levels."

Hard-line leaders linked to repression after the Soviet-led invasion of Czechoslovakia in August 1968 have been the main victims of changes in the last month. Many were removed from power as the party was forced to relinquish its automatic right to rule. Among those removed was Gustav Husák, installed as party chief after the 1968 Soviet-led Warsaw Pact invasion.

GERMANY: Cooling Passions

(Continued from page 1)

ing, which formally became a political party Sunday, have taken a more ambivalent stand.

A poll commissioned by Spiegel magazine in East Germany found that 71 percent of those questioned wanted East Germany to remain a sovereign state, and 27 percent said they favored unity.

Most of the 150,000 people who turned out in Leipzig for what has become the weekly weathervane of the popular movement heeded the appeal of church and civil leaders for a silent march. But several dozen carried West German flags and a clutch of several hundred chanted defiantly for one Germany.

Among their chants was "Get the reds out of the demo," a reference to leftist opposition groups that have come out against unification. The chant had sounded first a week earlier, and at a vigil service at the Nikolai Church that preceded the march, a Roman Catholic priest, the Reverend Günter Hanisch, said it had troubled him.

His concern was evidently behind the call by church leaders and Kurt Masur, the director of the Gewandhaus musical theater, and one of the most respected voices in Leipzig, for a moratorium on the

marches in the city until Jan. 8 and for reflection on their purpose.

In the past two weeks, marchers demanding unification, including some espousing openly nationalist sentiments, have become increasingly visible, and some angry confrontations took shape last week between them and other marchers opposing what they argue would be absorption in West Germany.

The differences reflected a discord that has entered the popular movement in East Germany now that most of the demands that initially united the vast majority of East Germans have been effectively satisfied — free travel, the dismantling of the secret police apparatus, the retreat of the Communist party, the promise of free elections.

In their wake, the debate has shifted to the sensitive question of unity, or rather the timing of reunification.

The emerging majority view was that "what belongs together will grow together, but it should not be forced to grow frantically." But a vociferous minority in East Germany has begun demanding quick unification, arguing that only this is the only fix for the country's relative backwardness.

SAKHAROV: Thousands Attend Funeral Ceremony

(Continued from page 1)

Institute of Physics, where many of Mr. Sakharov's colleagues in science, as well as ordinary people, passed by his open coffin.

Early in the afternoon, as the rain turned to light snow, the cortege began its slow march from the institute to the vast Luzhnik sports complex. Picking up more and more people, the procession included flags from every Soviet republic, wreaths, portraits of Mr. Sakharov and signs asking his forgiveness.

The atmosphere at Luzhnik was calm, heartfelt, with a sense of loss as palpable as the raw weather. Many in the crowd held candles, and some wept.

Prominent cultural figures joined Mr. Sakharov's allies in the human rights movement and in the Congress of People's Deputies in delivering eulogies.

"Sakharov was a prophet in the ancient sense of the word," said

Dmitri S. Likhachev, one of the country's most respected scholars. "And like all prophets he was not understood and was expelled from his own city."

The poet Yevgeni A. Yevtushenko praised Mr. Sakharov as "the best of the Russian intelligentsia."

Gleb Yakunin, a dissident priest, eulogized Mr. Sakharov as a "holy man" whose "brilliant image is at the head of the democratic movement that is breaking down the Iron Curtain at our borders."

The historian Yuri Afanasyev, who with Mr. Sakharov helped launch the Inter-Regional Group of radical legislators, said that in future all groups dedicated to democratization should go under the name of the Sakharov Union of Democratic Forces.

Lech Walesa, the Polish Solidarity leader, was due to speak but his plane was diverted to Leningrad due to the weather. He arrived in

White House Reveals An Earlier Secret Visit By Scowcroft to Beijing

Compiled by Our Staff From Dispatches

WASHINGTON — The president's national security adviser, Brent Scowcroft, whose surprise mission to China earlier this month was widely criticized, visited Beijing secretly in July, the White House said Monday.

It was the first administration acknowledgment that Mr. Scowcroft had made more than one trip to China after the crackdown.

A month after the crackdown on pro-democracy demonstrators in Beijing, President George Bush sent Mr. Scowcroft to China "to personally underscore the United States' shock and concern about the violence," said the White House spokesman, Martin Fitzwater. He was accompanied by Lawrence S. Eagleburger, the deputy secretary of state, as he was on his most recent trip.

Mr. Fitzwater said that trip was intended "to impress upon the Chinese government the seriousness with which this incident was viewed in the United States."

Mr. Fitzwater left open the possibility that Mr. Scowcroft or other senior U.S. officials had made other secret trips to China. "I can't rule out other encounters," he said.

The spokesman declined to say when in July Mr. Scowcroft was gone to Beijing, but said it was at least a month after government troops killed hundreds, and perhaps thousands, of democracy protesters on June 3.

"The president felt this face-to-face mission, like the one recently completed by General Scowcroft, was necessary to show the sense of purpose and direction of the United States government," Mr. Fitzwater said.

Earlier Monday, Mr. Bush, without noting Mr. Scowcroft's July trip, told reporters that critics of this month's visit had been "dealing with emotion and not facts." He specifically cited his Democratic opposition.

He defended the latest Scowcroft mission, saying, "I don't think it's a

salute" to the hard-line leaders in Beijing but rather a gesture to the people of China.

The recent U.S. overture, including a toast by Mr. Scowcroft to the Chinese leaders who led the crackdown, has been widely criticized. Some lawmakers have threatened to seek sanctions against China when Congress returns in January.

Accused by some of too restrained a response to the crackdown, Mr. Bush suspended arms sales to China on June 5. And 15 days later he suspended "all high-level exchanges" and consideration of any new loans to China through international financial institutions.

The president said "a concerted effort" to suggest that the mission was proof the administration is unconcerned with human rights in China had been launched "by the Democratic Party, by their leadership, by the chairman of the Democratic National Committee, but he is burdened with a lack of knowledge about China."

The president maintained he was not bothered by the criticism the secret mission produced, and suggested his critics would be satisfied if the Chinese made conciliatory moves in the weeks ahead toward the pro-democracy movement.

The president refused to discuss whether the United States, in return for making the first move toward the Beijing government after the massacre, had gotten any commitments. (AP, WP, UP)

Bomb Is Mailed To 2d U.S. Judge

United Press International

ATLANTA — Military experts found a bomb mailed to the headquarters of the 11th U.S. Circuit Court of Appeals on Monday, two days after a similar device killed Judge Robert S. Vance of the 11th Circuit in Alabama.

The courthouse was evacuated after a suspicious package was discovered in the morning mail by workers.

Federal courts and judges have been under tight security since the killing of Judge Vance. Officials have speculated that his slaying may have been connected to his reviews of drug cases in Florida, including a connection to Colombian drug lords.

Dinkins Appoints New Police Head

United Press International

NEW YORK — Mayor-elect David Dinkins of New York City on Monday named Police Chief Lee Brown, 51, of Houston as his new police commissioner.

Mr. Brown, who headed the investigation of a series of child murders in Atlanta in the early 1980s, will replace Acting Police Commissioner Richard Condon on Jan. 22 as head of the nation's largest police force. Mr. Condon was named by the former mayor, Edward I. Koch, after Benjamin Ward resigned Sept. 25.

BUSH: President Reviews Options After 'Outrageous' Killing of Officer

(Continued from page 1)

from U.S. military police by Panamanian forces.

Mr. Bush said of the fatal shooting of the U.S. officer, "It's an enormous outrage and a matter of enormous concern to this president."

In Panama, U.S. soldiers were put on maximum alert after the officer was shot and a navy couple was arrested and beaten Saturday night near General Noriega's military headquarters.

U.S. troops in battle gear patrolled perimeter fences at their bases, and Panamanian troops blocked the street in front of the headquarters, but activity appeared to be normal elsewhere in the city.

U.S. and Panamanian forces

were "holding a dialogue" on the incident by messenger, a Panamanian military spokesman said. He said that the commander of the U.S. Army South, General Marc Gissano, had threatened an invasion. "He demanded an explanation — if not, they would invade," the spokesman summarized one message as saying.

Mr. Bush appeared unswayed by congressional contention that the political changes in the Soviet Union and Eastern Europe should translate into big spending cuts for the Pentagon. "I will not take any naive unilateral action, and I am determined to move forward on a sensible program of evaluation and a sensible program of arms reduction which includes conventional forces," he said.

The president said that he and President Mikhail S. Gorbachev should push ahead on a range of arms control steps, including chemical weapons and conventional forces in Europe. "So let's go forward with our eyes open, and do that," Mr. Bush said.

The two leaders want to conclude a treaty on cutting strategic nuclear weapons arsenals nearly in half before their scheduled meeting in June, he said. Mr. Bush also pledged that the United States would take "an active and appropriate role" in encouraging democratic changes in Eastern Europe.

The Southern Command, in describing the incident in Panama, said that the officer slain Saturday was "off-duty, unarmed and in civilian clothes when he and three

others were stopped by Panamanian soldiers near the defense headquarters." As the Panamanians tried to drag them from their car, the Americans fled. The Panamanians fired, killing the officer, it said. His name has not been released.

A Southern Command spokesman said the U.S. officers were lost, but Panamanian defense forces said they had "broken through checkpoints and fired at the headquarters building, wounding a soldier and two civilians."

The statement did not mention the arrest of a U.S. Navy lieutenant and his wife at the same roadblock a half-hour earlier. According to the Pentagon, the couple witnessed the shooting. Panamanians then blindfolded and violently interrogated them for about four hours.

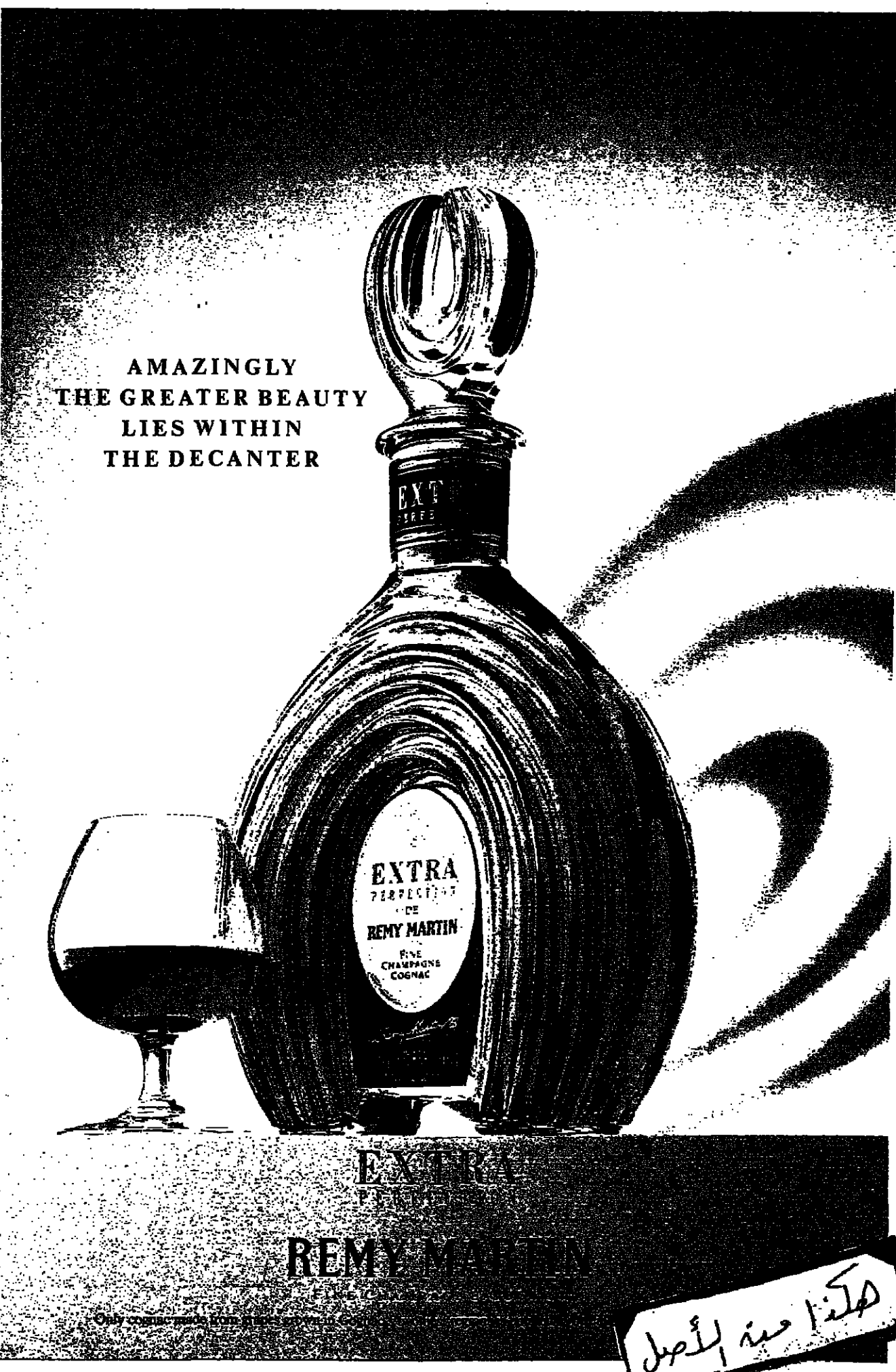
Since February 1988, when General Noriega was indicted in Florida on charges of trafficking in Colombian cocaine, the United States has been trying to drive him from power.

Noriega Version
General Noriega said Monday that U.S. soldiers fired first and wounded people in the incident in which a U.S. Marine was killed. Reuters reported from New York. He said that the Americans had shot several people in a poor section of Panama City.

Of Panama's declaration last week of a state of war with the United States, General Noriega said: "We Latin Americans, especially the Panamanians, have considered this a state of emergency, but we use the word war because the United States has invoked and authorized the president of the United States with war powers."

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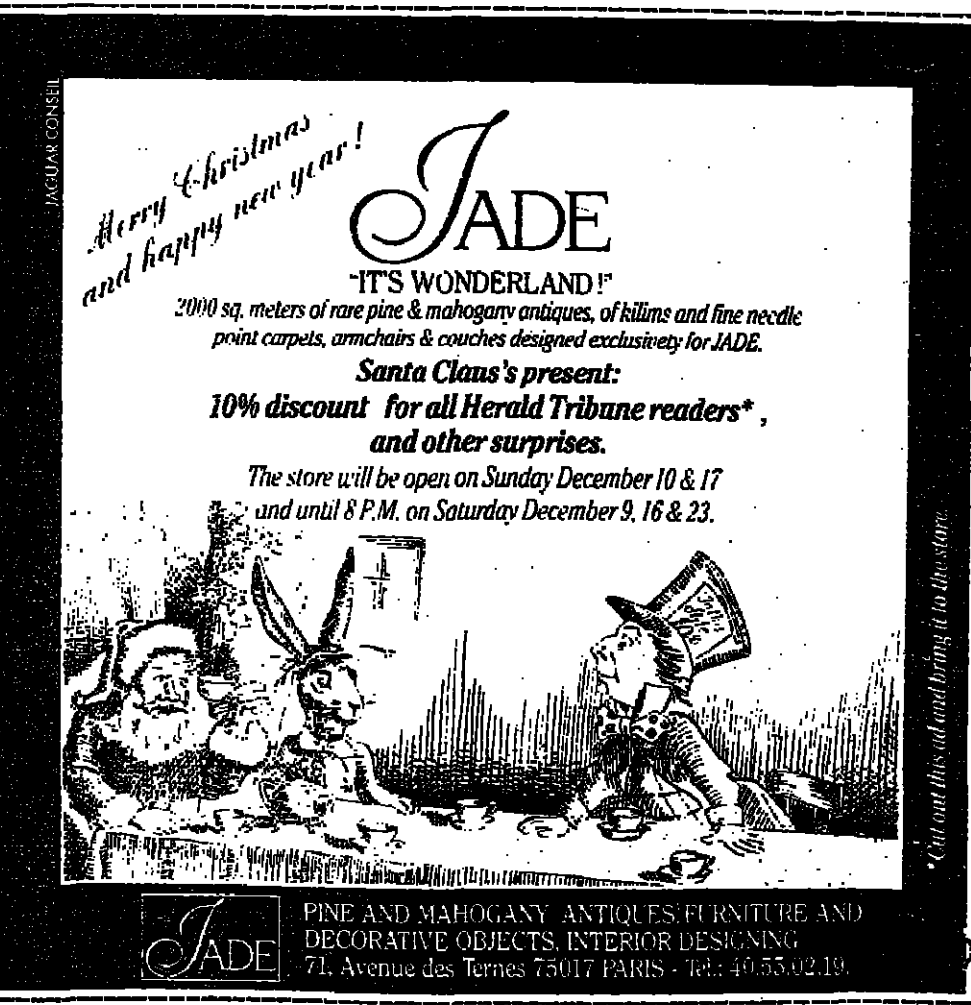
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Runcie Cautions Colony

Archbishop Urges End to Expulsions

Compiled by Our Staff From Dispatches
LONDON — The Most Reverend Robert Runcie, the Archbishop of Canterbury, has called for the British government to stop deporting Vietnamese from Hong Kong. His plea was made public Monday, a day after the Pope made a similar call.

"In the short term the forcible repatriation should stop," Archbishop Runcie, leader of the worldwide Anglican Communion, wrote in a letter to Foreign Secretary Douglas Hurd.

"But that will only be done," he added, "if other rich countries join Britain in seeking a solution to the predicament that comes from Hong Kong's geographical and political position."

The deportation of 51 Vietnamese last Tuesday drew international condemnation from governments and human rights groups. Britain has said there will be no further deportations before Christmas.

In his letter to Mr. Hurd, Archbishop Runcie appealed for Western help to alleviate poverty in Vietnam.

"The Western isolation of Vietnam must be ended," he said, "so that the poverty that causes this desperate immigration can be tackled. I am happy to see some signs of that."

Publication of the letter followed criticism of the deportations from Pope John Paul II, who said Sunday that solutions to the complex refugee problem had to be "more respectful of the dignity of man."

The Pope urged governments to recognize their responsibility to solve what he called a "grave humanitarian problem."

Francis Maude, the Foreign Office minister with special responsibility for Hong Kong, responded Monday to the Pope's remarks and defended British policy.

"I am sure if the Pope was given the choice," he said in a television interview, "between leaving people in those closed and overcrowded camps or sending them back in conditions of safety and decency to their own communities in Vietnam, he would have no hesitation in doing precisely what we do."

The Malaysian foreign minister, Abu Hassan Omar, said Monday that Malaysia would hold talks with Vietnam early next year to discuss the repatriation of its 20,000 "boat people." Those who fled their country for economic reasons would not be considered as refugees and would be sent back.

Thousands of Vietnamese in Hong Kong camps demonstrated Monday for the sixth straight day. Monday's demonstrations followed the seizure of 160 home-made weapons late Sunday from Whitehead, the British colony's largest closed camp for the refugees in the New Territories.

Hong Kong houses about 56,000 Vietnamese. Of the 44,000 who arrived after screening began in June 1978, most are expected to be classified as economic migrants liable to repatriation, by force if necessary.

(Reuters, AP, NYT, AP)

The Night Before Oseibo, When Gift-Giving Is a Headache in Japan

By Fred Hiatt
Washington Post Service

TOKYO — It is December, and Motoko Kaneko is expecting the usual: a couple of dozen hams. She will not be able to eat them or unload them before they go bad, but she will have to write thank-you letters anyway. And next year she will have to reciprocate.

"It's always a headache season when December rolls around," she said as she stood in front of the gift-meat counter — \$70 for about 650 grams, or about a pound and a half, of thinly sliced beef in a nice box — in the Matsuzakaya department store. "I hate it."

Americans may have fruitcakes and obligatory neckties, but when it comes to the calculations and complications of gift-giving, no one out-gives the Japanese. According to Nihon Gifts magazine, Japanese will spend more than \$90 billion on gifts this year, a sum consider-

ably larger than the 1989 U.S. trade deficit with Japan.

Japan celebrates Christmas these days — in a purely secular, gift-giving way — but before Christmas comes oseibo, or end-of-the-year gift season. Those who have not finished their oseibo shopping by Dec. 15 — gift-pack salad oil, gift-pack laundry soap or gift-pack cans of self-warming sake with blowfish fin flavoring — are way behind.

Matsuzakaya has introduced the latest computer and telefax technology to gift-giving this year, taking some of the pressure off dawdlers. But before giving the computer the desired price range and type of gift ("ordinary" or "unique"), a word of explanation is in order.

Japan is a nation where personal relationships count. The president of NTT, Japan's giant phone company, had to greet and thank about 10,000 employees, cus-

tomers and suppliers personally after he took over the job last summer before he could get down to serious work, he said. It took him about three months.

Gift-giving is a key component of personal relations here. Japanese give presents on almost every imaginable occasion and have invented a few simply so they can give more. "We think their gift-giving is fantastic," Ruth Benedict, the Japanologist, wrote 45 years ago.

The Japanese and their always watchful retailers have enthusiastically embraced any Western holiday that could conceivably provide an excuse for giving presents: Christmas, Valentine's Day, Halloween.

But centuries ago, they invented two holidays, ochugen (in July) and oseibo, whose only purpose and sole means of celebration is exchanging gifts to cement relationships.

The difference between Christmas

presents and oseibo gifts is subtle but, to a Japanese, perfectly clear.

Christmas gifts are for friends and loved ones, to make a personal statement; oseibo gifts repay an obligation. Thus, Mrs. Kaneko said she would give oseibo presents to her children's teachers and the matchmaker who arranged her daughter's wedding; her hams will come from the tenants of a building she owns.

At Matsuzakaya, the Christmas shopping takes place under a festive, accompanied by carols. But the oseibo floor is all business, looking more like a register than a high school gym. Shoppers grimly match lists with coded tags and then proceed to long desks to arrange for shipment.

This year, shoppers can watch a video screen for the latest specials at a fish market in Hokkaido, Japan's northernmost island, and then have their orders

faxed to the market, from where fresh oysters (\$42 for 20) or fish paste (\$21 for about 500 grams) will be sent to the designated recipients. They can touch a video screen and get gift suggestions with picture printouts in any price range, from \$21 (a 15-bar pack of Lux soap or a 13-can pack of Asahi Dry Beer) to \$70 (an assortment of cookies, tea and coffee from Paris).

"Price and prestige, not product, count most when decisions are made," the Japan Economic Journal said recently, noting that wrapping from a prestigious department store is essential. The newspaper reported that when Suntory marked down its Royal Whiskey from 5,000 yen (\$35) to 3,750 yen, "gift sales plummeted."

A sizable subsidiary industry has grown up of merchants who buy unused oseibo gifts at a discount from recipients who cannot face another package of

socks, processed cheese or bath scent. A popular cartoonist, here recently be-moaning the loss of feeling in oseibo, recalling the days when gifts were lovingly wrapped and carried to the door by the giver, not by delivery boys.

The cartoonist, Ryohji Saigan, concluded, "Even though we may think it's a formality and would like to stop, when the time comes, we can't."

Indeed, a big seller at Tokyo Department Stores this year is a \$35 golf insurance policy that protects the recipient from, among other things, shooting a hole-in-one.

Why is such protection needed? Because anyone unlucky enough to ace a hole is expected to celebrate by — what else? — giving presents to the rest of the foursome, most of the golf club and everyone back in the office, too.

Which can set you back quite a few hams.

Australia Raises Its Requirements For Immigration

Reuters

CANBERRA — Australia will start to apply tough immigration laws Tuesday that will raise educational and professional requirements and deal harshly with people who overstay their visas.

The laws "substantially tighten our management of the immigration program," Immigration Minister Robert Ray said Monday.

Some cushioning changes adopted at the start of the 1989-1990 financial year July 1, covering areas such as education and skills. "This ensures a sharper economic focus to the whole migration program," Mr. Ray said. The rules will make it more difficult for temporary residents or visitors to become permanent residents.

Illegal immigrants, estimated to number 70,000, have been given 28 days from Tuesday to apply for permanent residence. Those who do not come forward will be deported if uncovered, unless there are exceptional circumstances.

Marrying an Australian citizen or permanent resident will not now ensure an Australian passport.

The rate of immigration to Australia has been rising over the past few years. The number in 1989-1990 will be limited to 140,000, the same as in the previous year.



SUMMER SLEIGH — A Santa Claus gliding on a skimboard, a shallow-water surfboard, at a Sydney beach, where high temperatures marked the start of the Australian summer.

Drug Tests for U.S. Transit Workers

By John H. Cushman Jr.
New York Times Service

WASHINGTON — Millions of privately employed transportation workers are about to join the swelling roster of Americans who are routinely tested for illegal drug use, fueling debate about whether random drug tests are an unwarranted invasion of privacy.

The Transportation Department, which drafted new testing rules last year, expects their advent to provide startling evidence about the extent of illegal drug use, and also expects the courts to rule that safety considerations override any infringement of civil liberties.

Nearly four million transportation workers will face drug tests. The rules governing them in aviation took effect Monday. In coming days, the rules will begin to affect mass-transit workers, commercial mariners, interstate bus and truck drivers, railroad workers and pipeline workers.

The Transportation Department has tested its own employees for illegal drug use for two years, in a program that affects 32,000 people, mostly air traffic controllers. The military uses drug tests extensively, as do other federal agencies and some industries.

The results vary widely. When the Coast Guard, along with other military forces, began random testing of its personnel, Transportation Department officials said as many as 10 percent of the service's members used drugs. Now, with the deterrence of test-

ing, Coast Guard tests find only 1 percent or 2 percent drug use.

The Federal Aviation Administration has found even lower drug use, about a half of 1 percent, in random tests of its employees.

The most notable feature of the new drug testing program is its requirement for random testing of employees in safety-related jobs. But the rules also call for drug tests to be administered in several other circumstances: before employment, after accidents, when there is reason to suspect drug use, and at fixed intervals, like when pilots take mandatory semiannual medical examinations.

The tests are meant to detect the use of marijuana, cocaine, opiates, amphetamines and phencyclidine, or PCP.

In recent weeks, Mr. Rafsanjani has moved to ease import controls, foreign exchange regulations and travel restrictions, as well as to authorize foreign credits for Iranian firms, particularly in the oil and petrochemical industries. He has also drawn up a list of about 80 public companies that he has pro-

posed to sell through the stock exchange, which he has revived.

These measures have been contested by a group of hard-line Iranian politicians who criticize them as abandoning the revolutionary ideology that marked the transformation of Iran into a militant Islamic theocracy under Ayatollah Ruhollah Khomeini. The ayatollah died in June after a decade in power.

Although the development appears to be a further setback to President Hashemi Rafsanjani's attempts to steer Iran away from militancy overseas and most government control of the economy, experts on Iranian affairs said it was too early to attach such significance to Mr. Mohtashemi's victory.

"It is a personal victory for him," said Bader Meini, a London-based author and specialist on Iran, "but by and large the country is moving away from radicalism."

"The mood in Iran is shifting toward economic reform which means attracting money to get the economy rolling, and that can only be done the Rafsanjani way, by winning greater acceptance for Iran in the international community."

Experts and some Iranian government officials who support Mr. Rafsanjani said that he was sticking to a strategy of stressing economic change. That priority, they said, is winning support among the Iranian public.

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Hard-Line Iranian Wins Parliament Seat

By Youssef M. Ibrahim
New York Times Service

PARIS — Iran's former interior minister, Ali Akbar Mohtashemi, has won a parliament seat in a by-election according to final results issued Monday, giving him a public platform to advocate hard-line views held by a wide group of Iranian politicians.

Although the development appears to be a further setback to President Hashemi Rafsanjani's attempts to steer Iran away from militancy overseas and most government control of the economy, experts on Iranian affairs said it was too early to attach such significance to Mr. Mohtashemi's victory.

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These measures have been contested by a group of hard-line Iranian politicians who criticize them as abandoning the revolutionary ideology that marked the transformation of Iran into a militant Islamic theocracy under Ayatollah Ruhollah Khomeini. The ayatollah died in June after a decade in power.

Although Mr. Mohtashemi has been without an official post since he was replaced as interior minister in July by another clergyman closer to Mr. Rafsanjani, he has traveled to Lebanon to confer with leaders of the Hezbollah pro-Iranian militias in a well-publicized trip.

His activities and public pronouncements have been generally regarded as an open challenge to Mr. Rafsanjani's economic plans and desire to improve ties with other nations, particularly in the West.

Officials in Arab and Western intelligence services in Saudi Arabia, Egypt, France, Britain and the United States view Mr. Mohtashemi as a fierce opponent of the West and a leading force behind Iran's continued covert activities. These activities are conducted mostly through the vast network that Mr. Mohtashemi has built among shadowy pro-Iranian Shiite Muslim Lebanese groups.

In interviews over the last few

months, these intelligence officials have repeatedly singled out Mr. Mohtashemi as the conduit of apparently vast sums that continues to flow from Iranian institutions to Lebanese Shiite groups.

Experts on Iran and some Iranian government officials, who asked not to be identified, said Monday that Mr. Mohtashemi's inclusion in the parliament could be seen as a way of controlling his activities rather than increasing his influence.

Their view was that although the 270-member parliament has been radical in tone, it has done little to oppose Mr. Rafsanjani's basic policies.

Israel has reopened its embassy in Ethiopia after 16 years, Reuters reported a Foreign Ministry spokesman in Jerusalem as saying Monday.

Ethiopia broke ties during the 1973 the Yom Kippur war but relations were restored at the beginning of November.

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3 Journalists Are Charged by Israel

The Associated Press

JERUSALEM — For the first time since the Palestinian uprising in the occupied territories began two years ago, police have charged journalists with entering an area declared closed by the military, the police said Monday.

The charges were brought against three Israeli reporters, Joel Greenberg of the English-language Jerusalem Post, Ori Nir of Ha'aretz, and Oren Cohen of Hadasot.

A police prosecutor said the men were not held during legal proceedings but could be sentenced to up to two years if convicted. He did not know when the trial would be held. The charges were presented Sunday at a court in Jerusalem, he said.

During the uprising, soldiers

have regularly blocked reporters from entering disrupted towns or villages by declaring them closed military areas. Reporters have been detained several times for entering such areas, but no charges had been brought.

The three newsmen were found by army troops in the West Bank city of Nablus on Nov. 15, 1988, after the city of 120,000 had been closed by the army.

The incident occurred on the day that the Palestine Liberation Organization declared an independent Palestinian state. The army declared Nablus and several other West Bank towns and villages closed.

The Jerusalem Post quoted the charge sheet as saying the journalists "stayed for a long time inside

Nablus after it was declared a closed area."

Israel Reopens Embassy

Israel has reopened its embassy in Ethiopia after 16 years, Reuters reported a Foreign Ministry spokesman in Jerusalem as saying Monday.

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Benin Leader Faces an Uncertain Future

By Kenneth B. Noble
New York Times Service

COTONOU, Benin — Last week to have been a week of celebration in this sliver of West Africa as workers removed the cover protecting a new bronze statue of Lenin.

As it happened, President Mathieu Kérékou unexpectedly chose last week to proclaim that Marxism-Leninism would no longer be the state ideology.

The statue was unveiled anyhow, but not with the solemnity that government officials thought the occasion deserved. Within hours of the president's announcement, several hundred demonstrators, some

armed with clubs and hammers, converged on Lenin Square, burned the drapes covering the statue and tried to tear it down.

Marchers then snaked through this old French colonial city, chanting slogans calling for President Kérékou's resignation. Similar demonstrations were reportedly held by several thousand people in Porto Novo, the capital city, and in Abomey and Ouidah.

Though badly scarred, the statue in Cotonou stands. But remaining uncertain is the future of Brigadier General Kérékou's 17-year-old military-installed government,

which Western diplomats here say appears in danger of collapse.

And the authorities are preparing for possible new protests Monday in Porto Novo when memorial services are held for former President Sourou Migan Apathy, who was placed under house arrest after the 1972 military coup. Released in 1981, he went into exile in France, where he died Dec. 3.

A high-contrast, black and white photograph of two women. The woman on the left is in the foreground, looking slightly away from the camera. The woman on the right is behind her, looking directly at the camera. The image has a grainy, textured appearance.

LONDON — The fashion world is in no doubt about the new silhouette for the big Nine O. She is called Dianne Brill and she is as round and voluptuous as Twiggy was stick thin.

It is 25 years since Adel Rootstein, the British designer of shop window mannequins, spotted the unknown Twiggy and molded her in fiberglass. The skinny teen-age model, who turns 40 this year, was to become a mascot of the Swinging Sixties and a caricature of its can't-tell-the-girls-from-the-boys style.

"When we did Twiggy, we had no idea that she was going to be a phenomenon."

says Rootstein, whose models are exported to stores round the world. "She was 14 years old, unknown and nervous. She stood in a gawky, knock-kneed way, hiding her hands behind her back because she bit her nails. When we chose her she was so thrilled. Then everybody picked Twiggy at the same time and felt that she was right."

Unwittingly, Twiggy trailed in her wake androgyny, anorexia and an era of bra-burning feminism.

Now, the shape of things to come in the 1990s is the self-styled "Queen of the Night." Dianne Brill, an American actress and model who measures 40-24-39, with an hourglass bust, waist and hips. She has modeled on the runway in Paris for Thierry Mugler and Jean-Paul Gaultier, made a fleeting appearance in the Merchant-Ivory movie "Slaves of New York," and has now posed for Adel Rootstein for a life-size figure that was introduced in New York last month but will make its commercial debut at the Euroshop display fair in Düsseldorf in February.

"I represent freedom of choice," says Brill. "Being selected has given me a special confidence. Women look at me and see that I'm gorgeous and get over the idea that there is only one way to look. Why should a woman deny herself to keep the figure that Twiggy represented? She herself didn't stay that way. She later developed into a woman and became an actress."



"The great feature of the last 20 years has been that the men and women have looked exactly the same," says Rootstein, speaking of her fiberglass creations, which are molded in clay from life, then cast at her west London factory. The models have had the same slender hips, narrow profiles and "almost the same bosoms," with male display mannequins usually a 36-inch (92-millimeter) chest and women never swelling above that.

The men to complement Brill will take more heroic proportions, with rounded torsos and muscular frames. Contrasting male-female looks were last seen in the 1940s and '50s with Charles Atlas and curvy movie stars like Lana Turner, then Jayne Mansfield, Marilyn Monroe, Gina Lollobrigida and Sophia Loren. Rootstein sees it as a familiar evolution of fashion change that can be traced back in 20-year cycles to the S-bend silhouette of the Belle Époque.

"The major watershed always comes as a great surprise," she says. "Yet there was a period in the 1920s of a flat profile. And although we thought when we first saw Dianne Brill that we had never seen a torso like it, there was Lana Turner 20 years before."

Brill herself insists that she is not a revival of those celluloid sweater girls.

"I am different," she says. "Because Lana Turner didn't go to the gym, so my body is physically different. There is also something very different in the attitudes to men. The 1980s was the first time that the male was exploited as a sex symbol. It may have started as homoerotic, but it moved into the mainstream, and you had posters of men in underwear encouraging women to buy and to see them as sex symbols."

Brill was spotted in a restaurant by Michael Southgate, Rootstein's creative director. He responded to "a genuine warmth that made her very appealing — not as a fat lady, but a sensuous and curvy one."

Southgate says that all the Rootstein models — the exotic black panther-like Iman, the petite Elaine Paige or the sophisticated Collins "epitomize the look, the feeling that was in the air."

"Sometimes all the emphasis is on the body shape, the human form, and sometimes it is on the design of the clothes," he says. "When Christian Lacroix made his splash, the mannequins were very important because they had to be theatrical. One of the biggest indicators are the fabric shows, because we see whether clothes are going to be floppy or cool and crisp."

The body also dictates the clothes. The lead look through the 1980s was "square-shouldered, flat-chested" for the androgynous Giorgio Armani silhouette. That required a slim body with clothes hanging loose.

THE DIANNE Brill mannequin, says Southgate, looks "wonderful in tight clothes and ghostly in loose ones. But you have to emphasize that there is not one shape anymore. We have such freedom of choice today."

The fashion mannequin suggests a modern-day Pygmalion or Coppelia. Novelists write stories of men obsessed with an image in a window. Photographers beg to visit the Rootstein factory and snap a complete figure rising from a wave of disembodied arms and legs.

"We don't bring them to life, but we make life go into our mannequins," says Rootstein. In the flea market, she sees outdated models ("Don't ever call them dummies," warns Southgate) selling at far more than the \$250 of the originals.

Brill has already built her life around her body beautiful. She is working on a new film; she has designed a line of men's clothing; her book, with the arresting title "Boobs, Boys, High Heels, and How to Get Dressed in Just Under Six Hours," is out next year, along with a push-up Brill bra.

What does she think of her voluptuous body as a mascot after a decade of lean and hungry ambition and greed?

"I feel so clean and clear about the 1990s," she says. "My shape means much more than the return of womanly curves. It is also a celebration of the ample and of giving. It reflects the way we treat each other, even the way that countries will treat each other in the decade ahead."

MOSEYING down Bond Street in London, my eyes bounced off Hermès's window: no tinsel, no holly, no angels — zilch. I popped in and asked a salesperson if Hermès was planning to decorate this year. "We have done our Christmas windows, madame," came the disdainful reply. I dashed back outside and sure enough, there were three ordinary pumpkin-colored boxes tied with the usual brown-labeled ribbon. They don't go overboard.

Hermès's understatement caters to those Londoners whose approach to life, never mind Christmas, is more practical, and far less indulgent than most New Yorkers. Until recently, many Britons haven't had the cash to indulge themselves. But even those who can afford it won't spend money on a piece of pottery purely because it's taken their fancy.

British perception is that the Yanks commercialized and ruined Christmas, magnetizing their customers through window display.

Displays in New York and London reflect the difference in attitude. Richard Lowe, an extraordinary Australian designer who has worked in London for 20 years, says the English "haven't quite cottoned on to the fact that people will actually come into the store if they've been inspired by the windows."

Asprey's windows on Bond Street, which Lowe has done for eight years, are a case in point. They take up specific, unpredictable themes a few times a year — weddings, perhaps Ascot or Henley, maybe Valentine's Day, always Christmas. But their approach is gentle. Patricia Evans, in charge of display, says: "Product is the most prominent feature in the window, rather than decoration. We're not commercialized." Asprey's prefers to maintain its image of "old reliable"; windows must be normal with just a soupçon of spirit; a very few elegant gold and white Christmas crêperies, viewable glass surrounded above the

bibelots. . . . Asprey's in New York maintains its Englishness, too.

Visiting Americans will feel more at home when they hit Tiffany's brilliant razzmatazz, in the midst of all the other Bond Street jewelers. Celia Lindsell, Tiffany's adroit young display person, had no formal art training — "probably a good thing," she says, as there was nothing for her mentor, General Moore of Tiffany's New York store, to unfold. Moore, acknowledged as the most illustrious artist of the window, "just talked, and gave me some books to read on lighting, ballet and drama." He taught the centrality of lighting, that anything used wittily can work, and that topicality is more important than cost. The latter purpose is not to sell, but to amuse. One of the dazzling window displays at Bond Street has a window, Tiffany's Bond Street store has a window, rhythmic shower of gleaming red balls hanging on threads. On the floor, a tiny teddy bear sits on a red ball, one ruby-and-gold earring on the floor, another on his leg.

Humor (which hasn't hit British window

display sensibility yet), theme and innovation are vital ingredients both of Tiffany's in New York and Paul Stuart's mostly-men's store on Madison Avenue. Patricia Grodd, director of creative services, has conceived some marvels. An amusing idea, like a flawlessly clad gent sitting on a bench oblivious of a "wet paint" sign, makes a refreshing surprise for their traditional clientele. "We juxtapose the formality of the clothes with people's private fantasies," says display director Thomas Beebe. In this year's main window, a deer pokes his head quizzically through the window of a country kitchen piled with baked apple pies and Paul Stuart outerwear.

LONDON'S most spectacular windows are, predictably, in the larger stores. Christmas themes are planned at least 12 months in advance and never, under pain of the rack, divulged. This year, 12 of Selfridge's 14 Oxford Street windows depict elaborate scenes from ballets or operas. In David Hockney's striking design for "L'Enfant et le Sorcier,"

Liberty's Regent Street windows each present a different Russian fairy tale. Butterflies flutter, green dragons snort ominously and red shoes dance.

But it is Harrods's Kafka-esque portrayal of a fantasy family life in a glacier that is ebulliently over the top. Every one of its 72 windows is white and 5,000 massive, twisted acrylic icicles evoke the supra-seasonal atmosphere.

One of the main windows particularly challenges convention. Stalactites and stalagmites glisten inside a white bedroom. A scantily clad but luxurious Ice Maiden lies in an abandoned pose, wrong way up on her expensive, rumpled sheets, her head rolling over the edge of the bed. Dominating the fine linen pillow is an extravagant, Freudian doll. We're a long way from the old Bah, Humbug, Tiny Tim days.

Claire Frankel



Tiffany's tiny Bond Street teddy.

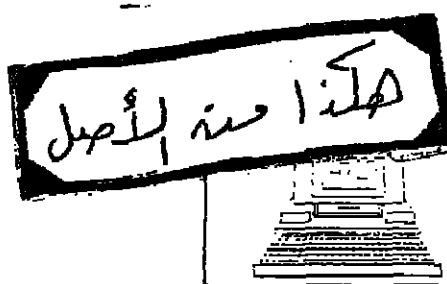
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INTERNATIONAL STOCKS European Insurers Are Likely to Keep Merging

By Quentin Bryar
Reuters

LONDON — The spate of merger activity among European insurers is expected to continue into the 1990s with British companies among the likely targets, analysts say. What is less clear is which companies might be involved and to what extent moves to deregulate the European insurance market are driving the trend.

Merger activity in the insurance industry during 1989 included a link between French financial group Compagnie de Navigation Mixte and West Germany's Allianz AG Holding and the takeover by Compagnie Financière de Suez of Compagnie Industrielle and Groupe Victoire.

Last month, Britain's Pearl Group PLC was taken over by Australian Mutual Provident.

West European insurance companies are looking to the Eastern bloc as well as it begins to enter the European mainstream. On Monday, Allianz AG Holding, Europe's largest insurer, said it had bought 49 percent of Hungary's state-owned Hungarian Biztosito.

Allianz said it was the first Western insurance company to take a major stake in a Hungarian insurance firm. Hungary has about 44 percent of Hungary's insurance market.

As the European Community moves toward forming a single integrated market by the end of 1992, "there is a temptation for people to put 1992 in front of everything at the moment," said Allan Nichols of James Capel & Co.

In a speech at the end of November, Leon Brittan of the United Kingdom, the EC commissioner for competition policy, indicated that next year the Community would unveil initiatives to standardize the European insurance industry by allowing companies to apply for a single European operating license.

Some analysts said the freeing of the European insurance industry might suggest there was now less need to merge with or take over a foreign company.

But Andrew Goodwin of UBS/Phillips & Drew disagreed. He said, "The economics of the industry mean you need an operation on the ground. It is some way down the line before I might buy, say, a motor policy from (France's) UAP."

ND UAP — Société Centrale de l'Union des Assurances de Paris — itself has a 19.2 percent stake in Britain's Sun Life Assurance Society PLC. Other European stakes in British insurers include an 8.22 percent stake held by the French group Athena SA in Refuge Group PLC. Speculation that Italy's Assicurazioni Generali SpA might be building a stake has recently buoyed Guardian Royal Exchange PLC shares.

Mr. Goodwin said future merger activity might not necessarily be only across national borders.

"In the U.K.," he said, "it is possible to envisage defensive mergers between composite insurers, or a composite and a life company, as they see big groups forming on the continent."

Ian Fountain of Morgan Stanley & Co. said smaller life companies such as Sun and Refuge were potential bid candidates. Among larger companies, he cited Guardian Royal.

Some analysts said companies with significant U.S. interests such as Royal Indemnity PLC were less attractive for acquisition due to the regulatory hurdles involved.

The analysts said French companies, and Italy's Generali, were likely to remain among the most acquisitive.

Further afield, they said Swiss companies, and eventually the Japanese, might look to Great Britain for an entry into the EC, as Australian Mutual did by buying Pearl.

Christopher Johnson, chief economic adviser to Lloyds Bank PLC, said in a speech this month that insurance may have better prospects for the London financial community than retail banking.

Compagnie Financière de Suez doled out stakes in its recent acquisition Groupe Victoire. Page 13.

Japan Revises Forecasts

Growth Estimated
At 4% for Year

Compiled by Our Staff From Dispatches

TOKYO — The Japanese government revised from 4.0 percent to 4.6 percent its estimate of Japan's economic growth for fiscal 1989, reflecting unexpectedly robust domestic demand, officials said Monday.

It also set at 4.0 percent the estimated growth of Japan's gross national product for fiscal 1990, which starts April 1, the officials said.

Japan's current account surplus is forecast to shrink \$5 billion to \$56 billion, from \$61 billion, they said.

The new estimates were adopted at a meeting of senior officials from the Economic Planning Agency, the Finance Ministry and the Ministry of International Trade and Industry, and were due to be approved by the cabinet of Prime Minister Toshiki Kaifu on Tuesday.

On Dec. 6, the Economic Planning Agency reported that Japan's GNP rose 5.1 percent in the July-September quarter, an annual rate of 12.2 percent and the strongest in 16 years.

The meeting of economic officials also predicted that the contribution of domestic demand to GNP growth in fiscal 1990 would be 4.5 percent and that of overseas demand, minus 0.5 percent.

"The speed of growth will slow down in the next fiscal year, but economic expansion will continue under the lead of domestic demand," an official said.

The meeting also forecast that growth in private investment in plant and equipment might slow to the single digits, compared with double-digit gains in the past three years.

Consumer spending is expected

See JAPAN, Page 11

Taking the Rocky Road East Analysts Say Obstacles Remain for Western Ventures

By John Holusha
New York Times Service

NEW YORK — American businesses are rushing to Eastern Europe with visions of tapping new markets for consumers and developing low-cost manufacturing bases, but experts on the region warn that formidable obstacles remain.

Among them are underdeveloped communications and transportation networks, people unfamiliar with Western ways of doing business, and currencies that largely have no value outside their countries' borders.

For these and other reasons, it may be many years before many of the new American ventures return profits to their parent companies, analysts and executives with experience in the region say.

Still, in recent weeks there has been a flurry of announcements of new undertakings in the East bloc, spurred by the rapid changes in governments and movement toward free economies.

Referring one of the most promising early opportunities, U.S. telecommunications companies have made deals to lay fiber-optic lines across the Soviet Union, establish cellular telephone service in Budapest and take cable television to Poland.

On the financial front, Chubb & Son Inc., the insurance company, announced that it had formed a joint venture in the Soviet Union to offer property and casualty insurance to Western companies setting up businesses there.

And in an attempt to bring Western service standards to the Eastern bloc, Marriott Corp. has opened a hotel in Warsaw.

In the last year alone, the number of American joint ventures in Hungary has doubled to 70, said William Winter, a specialist on Eastern Europe at the Commerce Department. That is not surprising, given that Hungary began to open up to foreign businesses several years ago.

In Poland, where the basic law governing business was liberalized late last year, the number of joint

See EAST, Page 11

Western Joint Ventures in East Bloc

Registered joint ventures and key legislation by country.

Bulgaria 41 joint ventures

New decree simplifies the registration process for foreign companies. Tax brackets have been revised, with many lowered. Profit transfer abroad has been eased. Free-trade zones are now possible.

Czechoslovakia 20 joint ventures

Czechoslovaks may not participate in joint ventures, which are limited to national enterprises. All accounts and most profit transfers are kept in national currency. Reserve, cultural and social funds must be established from a small percentage of venture's income.

East Germany No foreign investment

Hungary 628 joint ventures

Profit transfer in hard currency is allowed. CEO can be a foreigner. Joint ventures with less than 50 percent foreign capital do not need any government permit. Joint ventures in electronics, spare-parts production for transportation, agriculture and machinery, and pharmaceutical and protein production are free of tax for 5 years; after that, favorable tax rules apply.

Poland 170 joint ventures

Profit transfer in hard currency is allowed. Foreign investors' rights to engage in business match those of Polish citizens. CEO can be a foreigner. Joint ventures can obtain foreign loans. An import-duty exemption for three years is permitted on contributions to capital stock. Fifteen percent of export proceeds must be sold through Polish exchange bank.

Romania 5 joint ventures

No new joint ventures since 1977.

Soviet Union 685 joint ventures

Foreigners may be CEO. Up to 99 percent foreign capital investment is permitted. State enterprises and cooperatives are permitted to enter into joint ventures. Some custom-free zones exist.

Yugoslavia 41 joint ventures

Foreign partners' share of profits can be transferred abroad. Majority foreign ownership is permitted. Joint ventures possible in all areas except insurance, commerce and social services. Tax rates vary regionally.

As of July 1, 1989 Source: BNC magazine

Bank of France, Acting Alone, Boosts Rates

By Jacques Neher
Special to the Herald Tribune

PARIS — The Bank of France independently raised its key lending rates by half a percentage point Monday, a move meant to boost the sagging franc and seen as a tactic to negate West German pressure for a realignment in the European Monetary System.

The central bank's surprise measure to increase its intervention rate to 10 percent from 9.5 percent was also seen by analysts as a way for the French government to lessen the likelihood of a capital outflow on Jan. 1, when the Franco's remaining exchange controls are to be lifted.

"This was clearly a pre-emptive strike in terms of France's EMS concerns," said Chris Tucker, currency market analyst with UBS/Phillips & Drew in London.

"With the exchange controls due to be eliminated," he added, "this action is timed to produce a psychological effect that would divert money from flowing out of the country after the first of the year."

In addition to raising the intervention rate, which is linked to the prime rate for corporate borrowers, the central bank raised its emergency funding rate to 10.75 percent from 10.25 percent. It was the fourth rate increase this year.

The Bundesbank, the West German central bank, recently has pushed for a revaluation of the mark within the exchange rate mechanism. That would help cut West Germany's massive trade surplus by making German goods more expensive in other European countries.

Shares in 10 British water authorities were quoted on the London stock exchange for the first time last Tuesday.

Market analysts said that Lyonaise and two rival French companies who have been buying up British water shares were expected to take shares in the seven other companies in the coming days.

Lyonaise, Générale des Eaux and SAUR have already taken control of 12 of 29 previously existing small private water companies which together provide some 25 percent of Britain's water.

No outside company can build a stake of more than 15 percent in any of the 10 British water companies, in most cases for five years. The British government has the right to block any moves to acquire a larger stake.

Agence France-Press

LONDON — The French water distribution company Lyonaise des Eaux said Monday it had acquired holdings ranging from 2 to 9 percent in three of Britain's newly privatized water companies.

Lyonaise said it had acquired 9 percent of Anglian Water, 2 percent of Wessex Water and 2 percent of Severn Trent, for a total of 13.5 percent (\$165.8 million) but that it "was not thinking for the moment of substantially increasing" its holding in the three.

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Analysts say the willingness of France to now act independently

Belgrade Plans a Convertible Dinar

Compiled by Our Staff From Dispatches

BEGRAD — Premier Ante Markovic proposed Monday to introduce a new, convertible dinar as part of a program to lead Yugoslavia out of its economic crisis and curb the country's soaring inflation rate.

The proposal, which still must be approved by the parliament, would fix the rate of the new dinar at seven to the Deutsche mark for six months starting Jan. 1. Thereafter, the currency would fluctuate along with the West German currency.

On Monday, the dinar was quoted at about 65,000 to the mark and 112,000 to the U.S. dollar.

The prime minister also said wages should be set at November's levels for six months and adjusted according to the new dinar's fluctuation against the Deutsche mark.

Mr. Markovic said that solving the country's current economic crisis, which has caused living standards to fall to their lowest level in 20 years, "is not possible without a

completely new economic and political system that would ensure economic efficiency and political democracy with full freedoms and human rights."

The government also proposed sweeping changes in the country's criminal code, including the dropping of so-called "verbal offenses" under which thousands of people have been prosecuted for criticizing the Communist regime.

The measures, announced during a three-day session of parliament which began Monday, are the most drastic announced by the government this year. Mr. Markovic said his government would resign if the package was not approved.

The wage freeze is a particularly sensitive proposal because the country's previous prime minister, Branko Mikulic, was ousted last December in a parliamentary revolt over his attempt to put a lid on prices and wages.

About 160,000 workers in the southern republic of Montenegro

staged a half-hour general strike on Monday in protest at the hyperinflation. Similar strikes are planned on Wednesday in Belgrade and on Thursday in the republic of Macedonia.

The proposal to make the new dinar convertible reflects the government's strategy of introducing changes that would help Yugoslavia integrate its economy with the West, particularly the European Community. In addition to the high inflation, Yugoslavia also has a 17 percent unemployment rate and \$17 billion in foreign debt.

Mr. Markovic said that if his measures were implemented, the inflation rate would fall to 13 percent by the end of 1990 from November's record level of 1,975 percent.

The new dinar will be pegged to the Deutsche mark because it offers the greatest stability on world money markets, the prime minister said.

(AP, Reuters)

Poland Set To Approve IMF Plan

Compiled by Our Staff From Dispatches

NEW YORK — Poland is expected to sign a letter of intent on Tuesday outlining its new austerity program for the International Monetary Fund, officials said Monday.

Such a letter is the first step toward the fund's granting standby credits to countries in financial trouble. One IMF official said a certain amount of "give and take" was normal in negotiations between the fund and its clients, and Poland was no exception.

He expressed confidence that the talks were on track and that once the letter was signed the IMF would quickly act on the Warsaw government's request for credits of \$75 million. The IMF agreement would also open the way to an immediate bridging loan of \$215 million by the Bank for International Settlements in Basle.

Meanwhile, Poland's Solidarity-led government devalued the zloty by 16.7 percent on Monday in the tenth substantial devaluation since it took office in September. The National Bank set a new rate at 6,000 zloties per U.S. dollar compared with 5,000 on Friday, according to figures in the government newspaper Rzeczpospolita.

Separately, Poland's Central Statistics Office said retail prices jumped 22.4 percent in November, raising the annual inflation rate to 557 percent from 447 percent at the end of October. (IHT, Reuters)

EC Tells Turkey: Try Again in 1993

Reuters

BRUSSELS — The European Commission told Turkey on Monday it would have to wait until 1993 before the 12-nation Community considered its application for membership.

The EC commissioner for Mediterranean affairs, Abel Matutes, said the Community in the meantime should build closer economic and political ties with Ankara to boost Turkey's chances of joining.

He told a news conference that Turkey's relative economic and political backwardness meant "speedy membership would be without meaning for both Turkey and the Community."

Speaking on behalf of the European Commission, he said the EC needed to complete its program for a single internal market by 1993 before considering accession talks with Turkey.

A final decision on Turkey's membership application, made in 1987, rests with EC governments and the European Parliament.

An associate member of the Community since 1963, Turkey is the longest-standing candidate for EC membership.

Mr. Matutes said that despite remarkable progress so far, Turkey needed to reduce its 60 percent to 70 percent inflation rate and boost a standard of living far below the EC average.

He said Turkey should also develop a political system "open to all political forces and trade unions."

"One can't ignore the negative effect of Turkey's conflict with one of our member states," he added in a clear reference to Greece, which joined the Community in 1981.

Turkey and Greece are in long-standing conflict over Cyprus and territorial rights in the Aegean. A single EC state can veto any new members and Athens has said it wants Turkish troops out of the northern half of Cyprus before allowing Turkey to join.

Diplomats say other states such as West Germany fear a huge new influx of Turkish workers if Turkey

joins, even though they have not publicly said so. Turkey's population is expected to grow to 70 million by the year 2000.

Anxious, however, not to alienate a country described by Mr. Matutes as a pillar of the North Atlantic Treaty Organization alliance, Brussels put forward a four-point plan for increased cooperation with Turkey.

Mr. Matutes said the Community should:

- Unblock 600 million European Currency Units (\$702.0 million) of EC aid frozen since 1981.
- Finish dismantling all customs barriers as foreseen by the 1963 association agreement. EC officials say Turkey has failed to remove all its customs barriers to EC goods.
- Boost industrial and technology cooperation with Ankara.

"I want to state that Turkey will continue to be determined to become a full member," the deputy prime minister, Ali Bozer, told a news conference.

In Ankara, Turkey said on Monday it was still determined to become a full member of the Community despite the decision by Brussels.

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CURRENCY RATES

Cross Rates	Dec. 18
American dollar	1.945
British pound	1.279
French franc	164.8
German mark	1.364
Italian lira	1,364
Japanese yen	164.8
Swiss franc	1.485
Spanish peseta	164.8
Portuguese escudo	164.8
Dutch guilder	164.8
Belgian franc	164.8
Australian dollar	164.8
New Zealand dollar	164.8
South African rand	164.8
Israeli sheqel	164.8
Indian rupee	164.8
Sri Lankan rupee	164.8
Thai baht	164.8
Singapore dollar	164.8
Malaysian ringgit	164.8
Philippine peso	164.8
Indonesian rupiah	164.8
Brunei dollar	164.8
East German mark	164.8
West German mark	164.8

Currencies in London and Zurich, futures in other centers. New York closing rates. a: Commercial rates; b: To buy one pound; c: To buy one dollar; d: Units of 100; N/A: not quoted; N/A: not available.

Other Dollar Values

Currency	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$
Australian dollar	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
British pound	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
French franc	65.48	65.48	65.48	65.48	65.48	65.48	65.48	65.48	65.48
German mark	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Italian lira	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364
Japanese yen	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8
Swiss franc	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Spanish peseta	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8
Portuguese escudo	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8
Dutch guilder	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8
Belgian franc	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8	164.8
Australian dollar	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
New Zealand dollar	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
South African rand	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Israeli sheqel	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Indian rupee	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Sri Lankan rupee	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Thai baht	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Singapore dollar	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Malaysian ringgit	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Philippine peso	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Indonesian rupiah	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Brunei dollar	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
East German mark	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
West German mark	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67

New York rates unless marked * (local rate).

Forward Rates

Japanese yen	144.00	143.79	143.39	Swiss franc	144.00	143.79	143.39
Deutsche mark	1,7214	1,7210	1,7210				

Sources: Indusuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Ford, VW Discuss Europe Project

United Press International
DETROIT — Ford Motor Co. and Volkswagen AG said Monday that they have been discussing for several weeks a possible joint project in the European market.

Although the automakers declined to give details of the possible project, industry sources said the talks centered on the joint production of a minivan model to be built and sold in the European market by 1993.

A spokesman at Ford's headquarters in Dearborn, Michigan, said he could confirm that the talks were about a possible cooperation in Europe. Volkswagen confirmed that the talks centered on a new vehicle.

The Ford spokesman added that both companies had agreed to keep the details confidential.

According to the industry reports, however, the two auto makers are discussing building a multipurpose vehicle, or minivan, based on Volkswagen's new mid-sized Passat sedan. The Passat has been on sale in Europe since 1988 and will make its U.S. debut in March.

Sources said the minivan model will be sold separately by both Ford and VW in Europe, and that it will compete against vehicles like the Renault Espace.

Production will be about 200,000 units a year at an as-yet unnamed location, possibly in Spain, Portugal, Britain or Italy, the industry reports said.

Ford and VW have had a cooperative agreement since 1987 in Latin America, where they joined their Argentinian and Brazilian operations into a company called Autolatina.

However, one industry analyst close to Ford said a possible project for the European market between Ford and Japanese car maker Nissan Motor Co. should not be discounted. The two auto makers recently agreed to build a front-wheel-drive minivan in the United States by 1992.

In a separate development, Ford's chairman-designate, Harold Poling, said Monday that he expects vehicle sales in the U.S. to decline to about 14.5 million units next year, from an estimated 14.8 million to 14.9 million in 1989.

6 Norwegian Banks To Merge Next Year

Reuters
OSLO — Six Norwegian savings banks said they planned to merge on Oct. 1 next year, forming the country's third-biggest bank and joining the trend to link-ups among Scandinavian banks.

"By merging Sparebanken ABC, Sparebanken Buskerud, Sparebanken Hedmark, Sparebanken Vestfold, Sparebanken Østfold and Sparebanken Østlandet, a new savings bank with assets of 90 billion kroner (\$13.5 billion) and 4,200 employees will be established," the banks said in a statement to the Oslo bourse.

The Finance Ministry, which needs to approve the merger, said the move was positive.

The banks' boards of directors

said they had proposed Kjell Kran, currently managing director of Sparebanken ABC, as head of the new bank.

There has been a wave of banking mergers in Scandinavia, as the institutions position themselves for competition foreseen after the European Community does away with its internal barriers after 1992.

In October, Bergen Bank A/S and Den norske Creditbank A/S, announced they would merge into the biggest Norwegian bank by Jan. 1, displacing Christiania Bank og Kreditkasse as the top institution in the country.

NORDIX Network

The Stockholm Bourse said Monday that four Nordic stock exchanges are to set up the NORDIX electronic information network as the first step towards creating a regional securities market. Reuters reported from Stockholm.

NORDIX is available immediately in Sweden and will be extended to Norway, Denmark and Finland during 1990, it said.

Rand Mines To Buy BP's Coal Interests

Reuters
JOHANNESBURG — Rand Mines Ltd. said Monday it will acquire the South African coal interests of British Petroleum PLC for \$46 million and (\$212 million) as part of BP's global plan to quit the coal business.

Rand Mines thwarted a bid by its rival Anglo American Coal Corp. by exercising a preemptive right to buy BP's 88.5 percent shareholding in the Middelburg coal mine, east of Johannesburg.

The Middelburg mine was a joint venture with BP in which Rand Mines already held an 11.5 percent share.

The total acquisition, which becomes effective on Dec. 26, includes the purchase of BP's 12.7 percent holding in Richards Bay Coal Terminal, South Africa's main coal exporting facility on the Indian Ocean.

Marriott Divesting Restaurant Lines

Compiled by Our Staff From Dispatches
WASHINGTON — Marriott Corp., the largest U.S. hotel company, announced a restructuring Monday that includes the sale of its fast-food and family-restaurant units.

The company also said it has completed the previously announced sale of its airline catering division to a group of senior managers for \$570 million. That transaction was expected to yield more than \$200 million for Marriott.

The restructuring plan calls for the sale of 358 company-operated Roy Rogers fast-food restaurants in the first quarter of 1990. Those stores were expected to register about \$400 million in sales this year.

The company said it was holding talks for the Roy Rogers sale.

Marriott also said it intended to sell the 434 units operated by its family restaurants division, including 235 Bob's Big Boy, 79 Wag's, 31 Bickford's, 57 Howard Johnson's and 32 Allie's restaurants. These units have annual sales of about \$440 million.

The company said it would continue to manage food-service facilities under various contracts in its food and services management, airport and travel plaza operations. It added it would keep Hot Shoppes restaurants in the Washington area.

"As we move into the 1990s, we want to sharpen Marriott's focus on mega-markets in lodging and contract services, which together have an estimated aggregate potential of more than \$400 billion in industry annual sales," said J.W. Marriott Jr., chairman and president.

The company said it has decentralized some corporate activities, shifted headquarters for airport operations to Washington from California, consolidated management for airport and travel plaza operations and reorganized the management structure for its food and services management division to speed decision-making and cut costs.

Marriott said it expected to record pretax restructuring charges and writeoffs of \$225 million to \$250 million in the fourth quarter of this year on its continuing operations.

(AP, Reuters)

EAST: Analysts Provide Words of Caution for Eager Western Investors

(Continued from first finance page)

ventures involving American companies has jumped from four to about 40 this year, Mr. Winter said. Czechoslovakia and East Germany are just beginning the process of political change that precedes economic restructuring, but economists regard them as better long-range prospects for economic development because of their strong industrial bases.

Even the Soviet Union, long the most bureaucratic and inflexible of East bloc nations, now has close to 100 joint ventures with U.S. companies, a number that increases almost daily. American business executives say the Soviet Union's potential for Western ventures is much larger, but remains hobbled by its central planning system.

"There were just a few United States-Soviet joint ventures when we began negotiations nearly a year ago," said Henry G. Parker 3d, a senior vice president of Chubb.

"Now there are almost 100." He said the company's subsidiaries in Italy and West Germany were even more interested than its domestic units in seeking Eastern business agreements since companies in those countries have been more aggressive in establishing Soviet operations than American-based firms.

U.S. companies, in general, have lagged behind those based in Europe in developing business ventures in the East bloc. In Poland, for instance, West German companies have formed more than 400 joint ventures, or 10 times as many as U.S. companies, the Commerce Department said.

But some American companies stand out in their quickness to set up business. United Parcel Service has started delivering packages in

Moscow, Budapest, East Berlin, Warsaw and Krakow.

Earlier this year, General Electric Co. agreed to acquire control of a Hungarian light bulb manufacturer for \$150 million, and General Motors Corp. has acknowledged that it is seeking to increase the number of automotive components it buys in that country so it can increase car imports.

"There is an enormous pent-up demand for products from the West in Eastern Europe," said Mi-

with goods is so enormous that there are many opportunities to do business."

Certainly Eastern Europe represents a vast, untapped market for Western companies.

The population of Hungary, Poland, East Germany and Czechoslovakia exceeds 50 million, or as much as France, the Netherlands and Belgium combined.

Adding the Soviet Union's 285 million produces a market of 365 million, which is larger than the

behind," said David M. Kemme, an economist at the Institute for East-West Security Studies in New York.

Increasing economic activity with an emphasis on private initiative will mean more consumer spending power, business executives say.

"Economic growth is going to make life better for us," said Christopher W. Admaki, vice president for world trade for PepsiCo Inc., which has had operations in the Soviet Union since 1974.

But Western analysts and executives caution that Eastern Europe is not a place to make a quick buck.

Virtually everyone involved in trade with East bloc countries say the biggest single problem is finding a way to get paid in a spendable currency.

"We need to build a satisfactory structure that addresses convertibility," said Ed Martin, a spokesman for U.S. West, which announced plans last week to put fiber-optic cable across the Soviet Union.

European Community's 325 million, although not nearly as well off.

As the elaborate planning and regulatory structures are abolished in each country, doing business in Eastern Europe will come to resemble operations in other developing countries, experts say.

"In two or three years it will be that way in Poland, with Czechoslovakia and East Germany not far

Western analysts and executives caution that Eastern Europe is not a place to make a quick buck. Virtually everyone involved in trade with East bloc countries say the biggest single problem is finding a way to get paid in a spendable currency.

chael A. Petrilli, director of international development for Monsanto Co., which is based in St. Louis. "You do not have to convince them."

Ralph Land, who manages Eastern European activities for Xerox Corp.'s British subsidiary, Rank-Xerox, said: "The recent trend toward market economies is inexorable. The need to update their economies and fill store shelves

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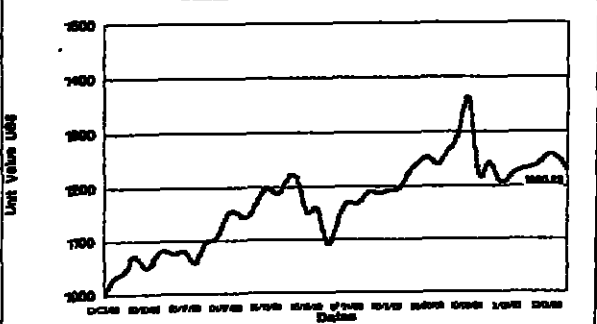
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Direction: BANQUE PARIBAS (SUISSE) S.A., GENÈVE.

PAIEMENT DU COUPON

Répartition des revenus du seizième exercice (1^{er} octobre 1988 - 30 septembre 1989) dès le 19 décembre 1989, contre remise du coupon N° 17.

— Aux porteurs de parts domiciliés en Suisse.

Montant brut	Fr. 4.20
/.35% Impôt anticipé	Fr. 1.47*
Montant net	Fr. 2.73

— Aux porteurs de parts domiciliés à l'étranger.

Montant net	Fr. 4.20**
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* Les porteurs de parts domiciliés en Suisse peuvent faire valoir leur droit à l'imputation ou remboursement de la totalité de l'impôt anticipé de Fr. 1.47.

** Sur présentation d'une déclaration bancaire, le paiement aux porteurs de parts domiciliés à l'étranger s'effectue sans déduction de l'impôt anticipé de 35%.

Dans ce cadre et en vertu d'une décision de la Direction du Fonds, les porteurs de parts ont la possibilité de souscrire des parts additionnelles en bénéficiant d'une remise de 4% sur le prix d'émission à la date de leur souscription.

Cette remise est réservée aux porteurs de parts pouvant justifier de la possession de parts à la date du 19 décembre 1989. Elle sera automatiquement appliquée, en cas de souscription, quel que soit le nombre de parts souscrites.

A défaut d'instruction des porteurs de parts jusqu'au 15 janvier 1990 à 12 heures au plus tard, la Direction du Fonds considérera qu'ils n'ont pas fait usage de cette offre.

Domicile de paiement et de souscription: Banque Paribas (Suisse) S.A., Genève, Bâle, Lugano et Zurich.

Give your
D-Mark investments a boost
in 1990.

Starting on January 26th, the new German Options and Futures Exchange – the Deutsche Terminbörse – will commence operations in Frankfurt. Traded initially will be stock options on major German stocks, to be followed in the summer by futures trading in bunds (bonds issued by the German federal government) and the DAX share index.

The DTB will be a fully computerized exchange operating on a nationwide basis. Trading will be conducted entirely through monitor screens linked to the central computer of the exchange.

In view of the economic prowess of West Germany and the significant role of its currency worldwide, the DTB will offer market operators around the globe new investment opportunities right at the source of the D-Mark's strength.

Go to the source.

DTB

DEUTSCHE TERMINBÖRSE

Grüneburgweg 102, D-6000 Frankfurt am Main 1
Telephone 69/15303-0

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015. The number of illiterate people in the world is projected to increase to 1.7 billion by the year 2015.

UAP Buys 34% of Victoire

By Jacques Neher
Special to the Herald Tribune

PARIS — Three months after winning control of the Groupe Victoire insurance concern, Compagnie Financière de Suez on Monday agreed to sell a 34 percent stake of it to a major Victoire competitor, the state-owned Union Assurance de Paris.

Suez, having what it termed a "partnership of professional insurers," also sold 5 percent stakes in Victoire to Balcia Holding A/S of Denmark and Dai-ichi Mutual Life Insurance Co. of Japan. Suez said in September it planned to sell up to 49 percent of Victoire to help finance the 24.5 billion franc (\$4.3 billion) acquisition.

UAP, France's largest insurance company, is to pay 14.4 billion francs for the blocking share in Victoire, buying 45 percent in its parent, Compagnie Industrielle, and 11.5 percent directly in Victoire. Balcia and Dai-ichi will pay 2.1 billion francs each for their shares in Victoire, the companies said.

Renand de la Geniere, chairman of Suez, said the new minority partners would pay the same price per share Suez had paid in September,

when it bought Industrielle and Victoire after a heated takeover battle.

The new stockholder arrangement will leave Suez with 51 percent of Industrielle and 26.4 percent directly in Victoire.

By selling the minority stakes, and liquidating noninsurance assets in Industrielle, Suez will pay only 3.4 billion francs out of its own pocket to gain control of Victoire, a bargain, according to analysts.

"To establish control over one of the top three European insurance companies for that amount is cheap," said Tim Dawson, insurance analyst with Barclays de Zoete Wedd in London.

Before Suez launched its bid for Industrielle, it bought Colonia Versicherung AG, the No. 2 West German insurer for 10 billion francs.

Jean Peyreleade, chairman of UAP, said the Victoire investment represented "a very important step towards reinforcing our capacity to successfully face the competition and the challenges" of the single European Community market to be created by the end of 1992. In particular, he said the alliance would be a "true competitor" to

Allianz AG of West Germany, Europe's largest insurer.

Mr. Peyreleade said UAP would continue to compete with Victoire in the French market, but that they would work together to develop an insurance network outside of France, both through developing existing assets and through acquisition in Europe and elsewhere.

UAP last month increased its holding to 25 percent in Sun Life Assurance Society PLC of Britain, and earlier this year it bought Societe Allsecur, an Italian insurer, for 325 billion lire (\$250.9 million). It also has a minority stake in Groupe Royal Belge, the Belgian insurer.

The shareholding agreement follows three months of negotiations. American International Group Inc., the fourth-largest U.S. insurer, had wanted to take a significant minority stake in Victoire, but UAP blocked it, Mr. Peyreleade said.

"It would be a bit difficult to have the three of us planning strategy," Mr. Peyreleade said.

Mr. Dawson said the new agreement between UAP and Suez, of "part-competitor, part-partner" is risky because of possible conflicts of interest.

Eurotunnel Says 2 Reports Confirm Costs

Compiled by Our Staff From Dispatches

PARIS — Two audit reports on increased costs for building the cross-channel tunnel put the total bill at about £7 billion, (\$11.23 billion) far above the initial budget, but below the estimates of the company that is building the tunnel, Eurotunnel SA said Monday.

The reports were commissioned to resolve a dispute over more than £500 million in costs between Eurotunnel, which will operate the tunnel once it goes into service in mid-1993, and the Anglo-French consortium Transmanche Link.

Now that the reports have been completed, the banks and the two companies will try to establish "the basis for the necessary additional financing to complete the project," Eurotunnel said. (AFP, Reuters)

Fisons Will Acquire Instruments Maker

BAT Agrees to Sale of VG Industries

Reuters

LONDON — Fisons PLC said Monday that BAT Industries PLC, which owns 68.7 percent of the scientific instruments maker VG Industries PLC, had agreed to a Fisons bid that values VG at £270.2 million (\$433.5 million).

Fisons, which makes products ranging from pharmaceuticals to scientific equipment, said the acquisition would be financed in part by a one-for-eight rights issue to raise £211.1 million net of expenses.

Fisons has irrevocable undertakings to accept the offer from the directors of VG Instruments for 0.4 percent of the company's shares, making an aggregate of 69.1 percent. Fisons said it has also received an undertaking for a further 1.7 percent.

Also Monday, Fisons said its pretax profit for the year ended Dec. 31 would rise to at least £165 million, which would be a 25 percent increase over £132.1 million last year.

The company said in a statement that earnings per share would be not less than 21.9 pence compared with last year's 19.5 pence, while the year's total dividend would rise to 6.2 pence from 5.0 pence.

Regulators' Demand



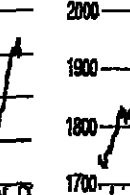
Hovlake Investments Ltd., Sir James Goldsmith's vehicle in his bid for BAT Industries, said in a statement that an Illinois insurance regulator ordered depositions from executives and senior advisers over an internal BAT memorandum on its bid defense, Reuters reported from London.

Hovlake said the November memo detailed potential business deals with both Axa-Midi Assurances and with Sir James Goldsmith, the head of Hovlake, in efforts to get Hovlake to drop its bid.

The bid is currently lapsed while Hovlake seeks required U.S. insurance regulatory approval for a takeover of Farmers.

A BAT spokesman had no immediate comment.

Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40		
				
J A S O N D 1988	J A S O N D 1989	J A S O N D 1989		
Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS General	182.80	182.50	+0.16
Brussels	Stock Index	6399.29	6398.88	+0.01
Frankfurt	Commerzbank	2024.40	2019.10	+0.26
Frankfurt	DAX	1634.57	1627.43	+0.44
Helsinki	UNITAS	612.60	614.30	-0.28
London	Financial Times 30	1864.50	1851.70	+0.69
London	FT-SE 100	2358.50	2344.70	+0.59
Madrid	General Index	302.48	303.25	-0.25
Milan	MIB	1145	1146	-0.09
Paris	CAC 40	1945.74	1949.42	-0.19
Stockholm	Affaersvaerden	1152.40	1158.50	-0.53
Zurich	SBS	643.80	651.30	-1.15

Sources: Datastream AFP International Herald Tribune

Sources: Datastream, AFP

International Herald Tribune

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

High	Low	Stock	Div	Yld	PE	High	Low	Stock	Div	Yld	PE
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5

High	Low	Stock	Div	Yld	PE	High	Low	Stock	Div	Yld	PE
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5

High	Low	Stock	Div	Yld	PE	High	Low	Stock	Div	Yld	PE
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5

High	Low	Stock	Div	Yld	PE	High	Low	Stock	Div	Yld	PE
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5

High	Low	Stock	Div	Yld	PE	High	Low	Stock	Div	Yld	PE
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5

High	Low	Stock	Div	Yld	PE	High	Low	Stock	Div	Yld	PE
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5
17.94	17.94	IBM	3.12	4.2	12.5	17.94	17.94	IBM	3.12	4.2	12.5

British Land Deal Faces Criticism

Reuters

LONDON — John Ritblat, chairman of British Land Co., Monday attempted to quell growing criticism from institutional shareholders over a major restructuring plan the company announced earlier this month.

Mr. Ritblat met with major institutional shareholders amid press reports that some are pressing British Land to renegotiate the terms of the restructuring.

British Land's complex plan involves selling some of its assets to a

new company, New British Land, and selling the rest to produce a cash distribution to shareholders. The plan is an effort to boost the company's stock price, which has slumped along with a sagging British property market.

Initially, there was favorable reaction to the plan, but analysts and institutions have become more skeptical after studying the fine print, according to brokerage house executives.

They said the main change the institutions are pressing for is for

New British Land to offer more for the assets it is buying from British Land.

Under the plan, British Land will transfer £339 million (\$543.9 million) worth of assets to New British Land in return for a £200 cash payment and 74 million New British Land shares. New British Land will also issue of £110 million convertible bonds to British Land.

The assets not transferred to the new company, valued at about £690 million are to be sold. Analysts have estimated that the sales could produce a total payout to shareholders of as much as £5 per share.

Sale Reported Of Swedish Match

Reuters

STOCKHOLM — Stora Kopparbergs Bergslags AB declined comment Monday on a Swedish radio report that it was about to sell its subsidiary, Swedish Match, to a consortium including Gillette Co. and two Swedish insurance firms.

"We have earlier said that the sale of Swedish Match will come through shortly. We have no other comments," a Stora spokesman said.

Stora is selling the matchstick, lighter and razor manufacturing divisions of Swedish Match, a conglomerate it acquired in 1988 for 3.9 billion kronor (\$940.2 million).

U.S. Holders Barred From Swedish Bid

Reuters

STOCKHOLM — Volvo AB and Procordia AB said Monday that U.S. holders of Pharmacia AB shares and convertible debentures will be excluded from their tender offer for the pharmaceutical company.

The Swedish companies said last week when announcing the deal to merge Pharmacia, which is 29 percent owned by Volvo, with Procordia and Volvo's food company, Provender AB, that they reserved the right to exclude Pharmacia shareholders abroad if the offer was considered inappropriate from a legal or practical viewpoint.

A Volvo spokesman said Monday that U.S. shareholders "have the opportunity to sell on the open market at the current rate."

Volvo and Procordia have not yet decided where else the offer will be valid, he said.

■ Bid for Nils Dacke
Industrivärden AB, the Swedish industrial holding company, offered about one billion kronor (\$159.4 million) for the shares in the engineering company Nils Dacke AB which it does not already own, Reuters reported.

Discover gold

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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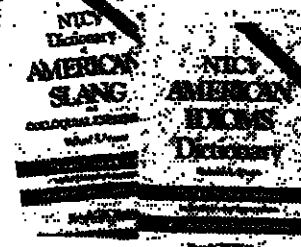
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Finland	F.M	1,760	1,334	970
France	F.F	1,500	1,230	830
Germany (mail)	D.M	980	408	320
11 hand delivery	D.M	730	108	370
Great Britain	£	140	97	77
Greece	hand delivery in Athens	33,000	21,600	18,000
Ireland	£	1,155	1,136	85
Italy	Lira	420,000	308,000	231,000
Luxembourg	L.Fr	11,000	7,200	6,000
Netherlands	Fl	600	492	340
Norway (airmail)	N.Kr	2,000	1,278	1,100
21 hand delivery	N.Kr	2,500	778	1,400
Portugal	Esc	29,000	29,240	16,000
Spain (mail)	Ptas	32,000	22,600	17,600
31 hand delivery	Ptas	32,000	22,600	17,600
41 hand delivery	Ptas	46,800	22,600	23,400
Sweden (airmail)	S.Kr	2,000	1,278	1,100
21 hand delivery	S.Kr	2,500	778	1,400
Switzerland	S.Fr	455	455	255
Rest of Europe, North Africa, former French Africa, Middle East	£	470	260	260
Rest of Africa, Gulf States, Asia	£	620	340	340

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SPORTS

Gervin: Can the Iceman Cometh Again?

The Associated Press

MOLINE, Illinois — Some days go better than others for an old man staging a comeback in a young man's game. But this does not appear to be one of them.

High above the frozen middle of America, George Gervin stares out at the snow, listens for the dull roar of twin propellers and shudders. He draws a full-length coyote fur across his shoulders, considers the question and shudders again.

Even an Iceman feels the chill sometime. "I'm not the same guy I was 10 years ago, and I'd be a damned fool if I thought I was," he said. "But the game is still about winning and entertainment, and even with all that's passed in the meantime, I can still fit both of those molds."

Ten years ago, George (Iceman) Gervin was 27 and living the life of a millionaire in San Antonio, Texas, living across the United States in chartered jets while carving a path toward the second of his four National Basketball Association scoring titles and the third of nine consecutive All-Star Game appearances.

Sunday, Gervin was en route to Day 10 of his campaign to retain a grip on the larger world and reclaim some small corner of his sport. He is 37 now, a recovering cocaine addict with only some of his magic left, flying puddle-jumpers to Continental Basketball Association stops like Grand Rapids, Michigan; Sioux Falls, Iowa; Rapid City, South Dakota, and Wichita Falls, Texas, searching out the fastest route back to the big time.

He harbors doubts about many things, but none about his eventual success.

"Sobriety is still my No. 1 priority," he said. "I don't hide the fact that I'm a recovering addict. In fact, I'm proud about it — it's better than just being an addict."

"Compared to that, basketball is just a job, even though my love for the game never left. I played all the time I was in rehab in Houston, and I'm the type of player who was always able to get my game together by myself. My conditioning is coming along and all I need is to get my timing back."

"I don't expect to make it back as a superstar," Gervin said. "I can settle for a role. This is humbling, but it's an important step for me, both as an addict and a basketball player."

"And if things don't work out with the game, well, at some point, I'm going to have to do some soul-searching... sit down and look hard at this dream and see if it really can come true."

Sunday, George Gervin looked like any other \$600-a-week employee of the Quad City Thunder trying to survive his fourth game in five nights. Trying to show flashes of brilliance, trying to avoid serious injury, trying to match cunning and his unerring feel for the flow of the game against the muscle of young bucks who once idolized him but now want to run over him and get on with their own careers.

It is cool this night in Wharton Field House in Moline, where the team plays while claiming Rock Island, Illinois, as its home base and playing other games in

Davenport and Bettendorf, Iowa. A draft enters the 61-year-old wood-and-brick bandbox at will, yet Gervin sweats freely. He is the first player out on the floor, throwing up an assortment of soft, arching jumpers, looping finger rolls and one-handed bank shots from either side while a youngster happily retrieves his misses.

Shooting by himself, Gervin sometimes looks awkward and sometimes like a contortionist. But the great scorers learn to put it up without regard for teammates or the point on the compass. And, besides, Gervin is already playing an opponent in his head.

It is a good thing, Sunday night, with the former University of Nevada-Las Vegas star Jarvis Basnight, now the main man of the Rapid City Thriller, breathing down his neck. Gervin misses his first three shots. His fourth, a right-handed jump hook, finds its mark. And some three minutes later, with his back to the basket, he picks up a loose ball in the lane, spins to his right and scores on a soft left-handed hook off the glass.

As the night wears on, it becomes apparent that even though the circumstances of Gervin's life have changed, his game has not. He scores 24 points in 37 minutes, both about average for his short tour of duty in the CBA, and still regarded defense as the interlude between his last shot and his next.

"I'm from Detroit, too, so I saw him a lot growing up and he's still kind of a hero of mine," Basnight says afterward. "And he

still knows when to lay low and when to start it up."

Then Basnight adds: "I've got faith in him. He can still do it when he needs to, and there have got to be some teams out there who can use his 20 points a night."

Gervin settled on the Quad City franchise because here in Western Illinois, of all places, he found an after-care facility at which to continue his rehabilitation. In the bargain, he got a headstrong and innovative team owner, Anne Porter DeLong, the daughter of a publishing magnate and the only female chief executive in pro basketball, and a veteran CBA coach, Mauro Panaggio, who was willing to retool his offense to get Gervin his time and his points.

When he hit bottom last February, overdosing on cocaine, George Gervin sat in a rented apartment in San Antonio, separated from his family, and tried to figure out his first step.

"It was either go to the hospital and face all the publicity or...," he said, his voice trailing off. "At that point, I didn't give a damn about the publicity. I wanted to live."

For all Gervin's willingness to break his silence, however, some revelations will have to wait. He has completed six chapters of an autobiography titled "Pieces of Ice," and there, among other things, he will disclose just how far back his battle with drugs stretches.

He makes little secret of the fact that he would like to be in the NBA at the time of



AP/WIDE WORLD

"I don't hide the fact that I'm a recovering addict. In fact, I'm proud about it — it's better than just being an addict."

the book's release, but he will not say exactly how long he is willing to wait to get there.

"There's only one question most people want answered anyway. Am I an old George Gervin," he said, and he flashed a disarming smile. "Or the George Gervin of old?"

SIDELINES

State of Injured Italian Skier Critical

BOLZANO, Italy (Reuters) — The condition of Italian skier Giorgio Pianatida, injured in a World Cup race Saturday, worsened on Monday and he was moved to intensive care, doctors said.

Pianatida broke his right shoulder and three ribs and suffered head injuries when he fell at high speed during a downhill at Val Gardena, Italy.

Fernando Alemanno, head of the intensive care department at Bolzano Hospital in northeastern Italy, said Pianatida was moved to his unit during the night after his condition deteriorated. He said the 22-year-old skier was having fluid drained from his chest, was having difficulty breathing and was being given oxygen.

2 Germanys' Swim Officials to Meet

BERLIN (AP) — The swimming federations of East Germany and West Germany will hold talks next month on closer cooperation between the two, the official East German news agency, ADN, reported Monday. ADN said the talks in West Berlin on Jan. 5 would be to iron out "concrete agreements" on the possible exchange of trainers and medical aides, joint controls on doping and commercial aspects of the sport.

Colt Grand Canyon Breaks Mile Mark

INGLEWOOD, California (AP) — Grand Canyon, the 2-year-old who is a leading candidate to win the 1989 Eclipse Award, ran what is believed to be the fastest mile in America by a colt his age and won the \$1 million Hollywood Futurity by 6 1/2 lengths Sunday at Hollywood Park. The horse, who is being pointed toward next year's Triple Crown races, raced the one-mile (1.6 kilometers) in 1:33, shattering the stakes record set by Snow Chief in 1985 by more than a second.

For the Record

Mike McCallum, the World Boxing Association middleweight champion, will fight British challenger Michael Watson in London on March 31 in a bout rescheduled because of injury. (AP)

Irish Free Throws Drop UCLA From No. 13 to 18

The Associated Press

Early foul trouble proved to be a blessing in disguise for Notre Dame's Keith Robinson. Robinson, after sitting out 18 minutes of the first half with two fouls, scored all his 21 points in the second period and James Jackson sank two free throws with 10 seconds left to give Notre Dame an 86-84 victory Sunday over then No. 13-ranked University of California-Los Angeles in South Bend, Indiana.

The defeat helped drop UCLA to No. 18 in this week's Associated Press poll. (See Scoreboard) The senior forward made all nine of his field-goal shots and grabbed seven rebounds, four on the offensive boards.

His basket inside to open the

second half gave the Irish their first lead since the opening moments of the game, then Robinson and Monty Williams each added four more points in a run that gave Notre Dame its biggest lead, 54-43, with 15:05 to play.

After Robinson's basket made it 73-64 with 5:44 remaining, Notre Dame (2-3) scored its last 13 points from the foul line, with Tim Singleton getting six and Jackson four. Trevor Wilson, who scored 21 of his 29 points in the second half, had six of the final eight for UCLA (5-1), and his drive inside tied the score at 84 with 22 seconds left. However, Wilson picked up his fifth foul 12 seconds later, and Jackson sank both of his one-and-one free throws.

In the only other Top 25 game on Sunday, Tulsa beat No. 22 Oklahoma State, 95-80.



ROCKETS AWAY — Sidney Green dodged Otis Thorpe's swipe at a loose ball, but Orlando could not duck Akeem Olatunwo's 32 points, 25 rebounds and 10 blocked shots as Houston won, 109-94.

Blazers' Rookie Given A 50% Chance of Living

The Associated Press

PORTLAND, Oregon — Ramon Ramos, the rookie forward for the NBA's Portland Trail Blazers, remained in a coma Monday after being critically injured when his speeding sports car went out of control on a slick freeway.

Doctors said the chances for his survival were 50-50.

"The first three days or so are of the utmost critical nature," said Dr. Kim Burchiel, head of neurosurgery at Oregon Health Sciences University Hospital.

Burchiel said that fluid on Ramos' lungs had subsided, but that he remained on a breathing machine. Several small hemorrhages were putting pressure on his brain, which, Burchiel said, was typical of serious head injuries.

Ramos, 22, of Puerto Rico, was not wearing a seat belt and was

thrown from the car during the accident Saturday. He also suffered chest injuries.

The 6-foot, 8-inch, 255-pound (2-meter, 115-kilogram) forward from San Juan was signed as a free agent in July after being passed over in the NBA draft a month earlier.

He had been put on injured reserve at the start of the season with tendinitis in his right knee, then activated less than two weeks ago after veteran Robert Reid was placed on waivers. He had not played in a regular-season game.

Burchiel said there was damage to the areas of the brain that control movement but no sign of spinal injury.

Ramos might come out of the coma in days, weeks or possibly never, Burchiel said.

Jays Trade Last Of First Players

The Associated Press

TORONTO — The Toronto Blue Jays have traded their last original player, catcher Ernie Whitt, to the Atlanta Braves in a deal that included two minor league players.

Whitt, 37, and outfielder Kevin Batiste went to Atlanta for pitcher Rick Tricek in the trade Sunday.

Whitt batted .262 with 11 home runs and 53 runs batted in as Toronto won the American League East in 1989. In 11 years with the Blue Jays, Whitt batted .252.

Selected in the 1976 expansion draft, he had spent his entire career with Toronto except for eight games with the Boston Red Sox in 1976.

"It's difficult to say goodbye after 13 great years," Whitt said.

CHESS

By Robert Byrne

BOBBY Fischer advised a junior colleague who was pondering the purchase of a new book on openings a number of years ago: "Get it. If it wins one game for you, it more than pays for itself."

The former world champion, now retired for 17 years, did not necessarily mean that every best of books can directly provide just the solution you are looking for — though you may indeed encounter an opponent who did not buy it and goes astray in a variation you know by heart. What Fischer meant was that without the proper background, you cannot confidently work out your own innovations. And these are essential for defeating tough opponents.

A case in point is the third-round game between the grandmasters Michael Rohde of New York and Sergey Kudrin of Stamford, Connecticut, in the United States Championship. It was played Nov. 11 at the Hyatt Regency Hotel in Long Beach, California, and featured a powerful new attacking strategy by Rohde.

The anti-Queen's Indian system with 6 Nc3 (intending Qx2 and 8 e4) Nc4 7 Bd2 is subtle and deceptive. Black is invited to obtain the bishop-pair with 7...Nd2 8 Qd2, but then White is rapidly developed and positionally threatens 9 e4. And on 8...d5, he can put pressure on 9 Nc5. Perhaps Black should anchor his knight with 7...f5, but the situation is not clear after 8 d5 Bf6 9 Qc2.

It used to be thought that 9 d5 was not

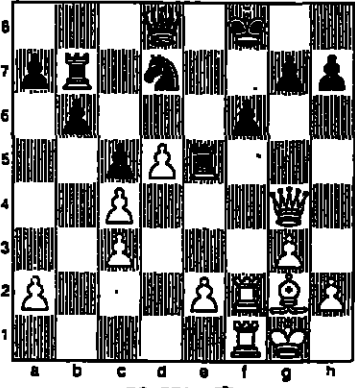
good because of the doubled pawns after 9...Nc3 10 Bc3 Bc3 11 b1. But after 11...O-O 12 e4. White got the advantage in several games in the Soviet Union that were quoted in "Chess Informant," No. 46, 1988. Yet after 12...d6 13 e5 f6, Black is all right. For example, 14 e6 is met by 14...e5!, while 14 f6 is met by 14...Qf6 15 de Nc6! (but not 15...Bf3? 16 Bf3 Qf7 17 e7) 16 Nc4 Bg2 17 Ng2 Qe6.

But Rohde took one step further out of the book with 12 Qd2! Re8 (12...f6 might encounter 13 Nc4!) 13 Ng5! threatening 14 de! Bg2 15 e6, as well as 14 Nf7! Kf7 15 de, which also wins material. That could not be avoided by 13...f6 because of 14 Nc4 d6? 15 de Re6 16 Ne5!, nor by 13...e5? 14 Bd5!

Kudrin tried to keep the position closed with 13...e5, but Rohde was after him at once with 14 f4! to open lines against the black king. After 14...e5 15 Qf4 f6 16 Ne4 Re5, Rohde struck a jarring blow with 17 Qg4!, forcing Kudrin to guard against 18 Nf6! by exposing his king with 17...Kf8 because 17...Kh8? would run afoul of 18 Nc6!

On 19 Ra1!, which threatened annihilation with 20 Nf6!, Kudrin had no choice but to drop a pawn with 19...Nd7 20 Nd6. After 22 d6!, Kudrin could not save the exchange because 22...Rb8 loses to 23 Bc5 Kc8 24 Rf6! g7 25 Qg5 mate, but Rohde, after 22...h5 23 Qh3 Qc8, kept better control over the game with 24 Rf1! Rf8 25 Rh5, which dismantled the king position. After 42 Kg2, the king-and-pawn ending was simple for Rohde and Kudrin gave up.

KUDRIN/BLACK



Position after 21...Rb7

QUEEN'S INDIAN DEFENSE

White	Black	White	Black
1 Nf3	Nf6	22 de	h5
2 g3	b6	23 Qh3	Qc8
3 d4	Bb7	24 Rf1	Rf8
4 e4	e6	25 Qg5	Rb8
5 Bg2	Be7	26 Qh3	Qc8
6 Nc3	Ne4	27 Qh8	Rf7
7 Bc2	Bf6	28 Qf7	Rf8
8 O-O	O-O	29 Qf6	g6
9 d5	Nc3	30 Qh5	g6
10 Bc3	Bc3	31 Qf7	Ke8
11 b1	O-O	32 Bc5	Qe8
12 Qd2	Re8	33 Qh8	Rb8
13 Ng5	e5	34 Qg7	Qf7
14 f4	f6	35 Qf6	Ke8
15 Qf4	Re5	36 Qd7	Qe7
16 Ne4	Re5	37 Qd7	Qe7
17 Bf2	de	38 Re8	Re7
18 Ra1	Nd7	39 Rd1	Rd7
19 Bg1	Bf8	40 Bc7	Mat
20 Nf7	Rb7	41 Bc7	Mat
21 Bb7	Rb7	42 Kg2	Resigns

BOOKS

FORCE OF NATURE

By Stephen Solomita. 282 pages. \$19.95. G.P. Putnam's Sons, 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Daniel Woodrell

STEPHEN SOLOMITA's new novel takes us into the crack-infested streets of the Big Apple. Levander Greenwood, a.k.a. Kubla Khan, fits the demographic profile of the crack-addicted right down to his family and criminal histories. Previously a mere sociopath, Levander has now become a mass killer behind his massive daily intake of that smoke that dreams are choked by.

He has come to a place in his mind where the act of murder seems a natural reflex in the pursuit of that next rock of crack, so he simply guns dealers down and robs them wherever he finds them. And, with the help of his secret accomplice, he keeps finding them. Levander's activities soon make him a nightmare to street people, and a terror to his own family, a family that he has caused to suffer plenty over the years.

Snuffing their way along this trail of carnage are Detective Stanley Moorow, who has put in 35 years with the department, and is rough-edged and salty, etc., and his new partner, young Jim Tilley from Yorkville, who is earnest but has a lot to learn.

Tilley, a former boxer, is alleged to have known many foxy ladies during his glamorous career in the roped arena, a career that consisted of eight preliminary bouts, but when he meets Levander's wife, an ex-streetwalker and drug addict named Rose Carillo, her sozzled ghetto chassis causes him to swoon.

It is soon clear that Levander wishes harm upon Rose and their two kids, so, at Moorow's suggestion, Tilley brings the brood home to the small apartment he shares with his mother. While Moorow educates Tilley in the hard ways of the law and the street, Rose turns him on to love.

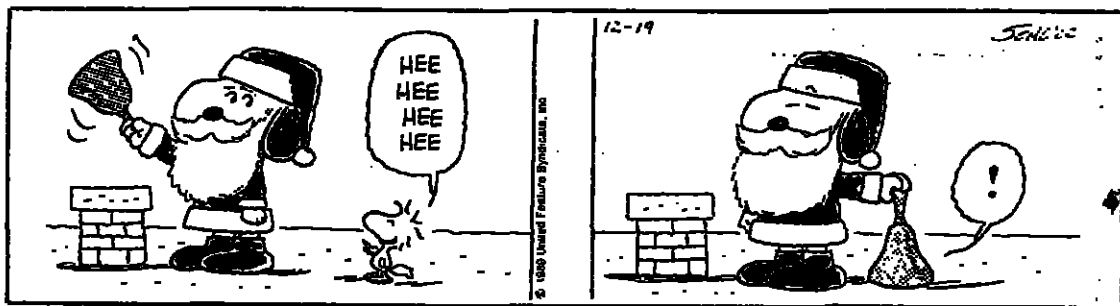
He takes to both forms of instruction readily, and is soon happily bending laws in the pursuit of justice, while at night he and Rose make love "like two hogs in a swamp."

All of this could be fetching enough, but despite the heft of the novel the characters seem lacking in authentic definition. Solomita approaches his material with a democratic vision. Unimportant moments are given as much regard and space as are the important. This lack of selectivity tends to stifle any dramatic flow and kill the momentum of the tale. Scenes that cry out for dramatization seem rushed, while the author's long passages about the minutiae of Manhattan life are unnecessary.

Solomita does have an occasional fine moment, a good aside or snap of dialogue, but if he had taken the time and care necessary to create characters who were not prefab in their reactions to one another his novel might have been more plausible, and this could have served to effectively balance the cartoonish aspects of the plot, thereby fashioning a compelling whole.

Daniel Woodrell, a novelist, wrote this for The Washington Post.

PEANUTS



BEETLE BAILEY



ANDY CAPP



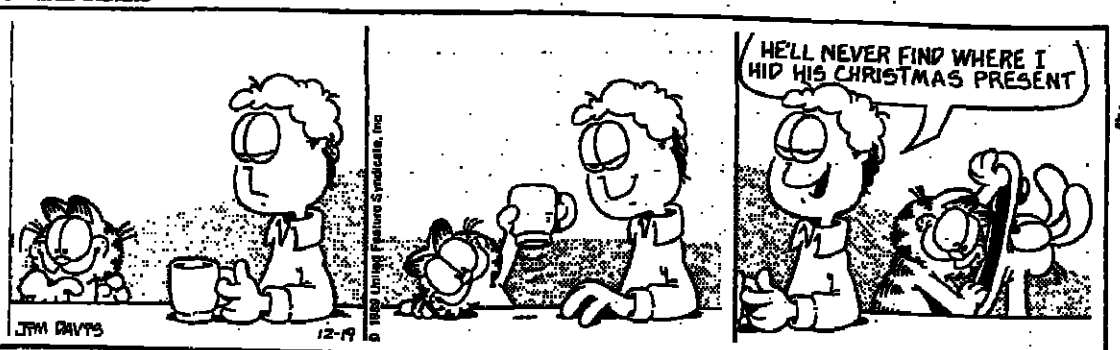
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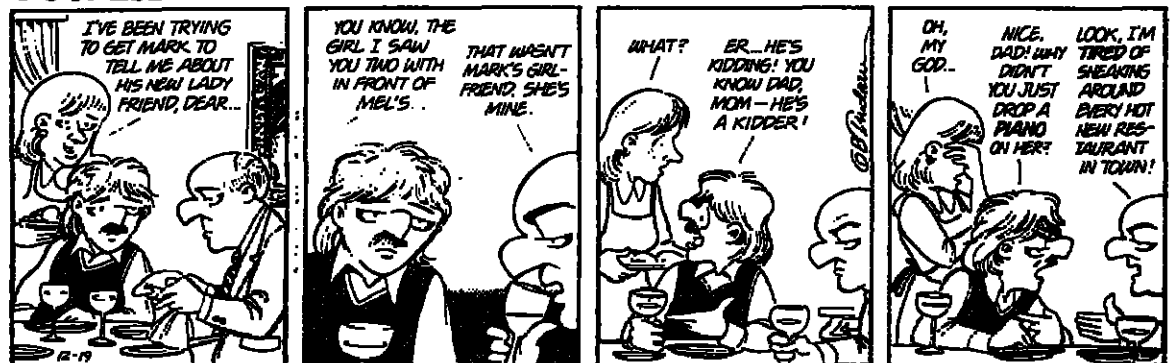
REX MORGAN



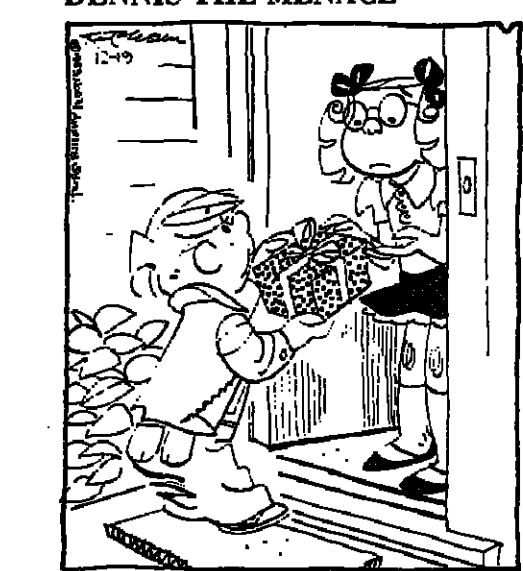
GARFIELD



DOONESBURY

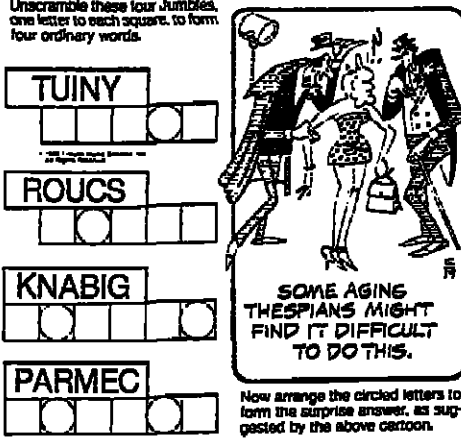


DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.



Print answer here: _____

Yesterday's Jumbles: DEMON RUSTY SKEWER FETTER Answer: When you try to wash a small kid he's apt to do this—SHRINK FROM IT

MERRY CHRISTMAS, MARGARET, BUT DON'T WAIT UNTIL THE 25TH TO FEED IT.

SPORTS

NFL Teams Still Bidding For Playoffs

The Associated Press

NATIONAL CONFERENCE

East Division

Philadelphia: The Eagles need one victory to get a wild-card spot and win the division with two victories or, if New York loses its last game, with one victory. The Eagles have the tiebreaker advantage because they beat the Giants twice this season.

New York: The Giants have clinched a wild-card spot.

Central Division

Minnesota: The Vikings can win the division by beating Cincinnati next Monday night, or if Green Bay loses to Dallas because the Vikings have a better division record than Green Bay. But the Vikings cannot get a wild card.

Green Bay: The Packers, who have to win next week, would get at least a wild card on conference record if Los Angeles and Philadelphia each lose. For the same reason, they are a wild card if Los Angeles and Washington win. (The Redskins were eliminated, but still would be involved in a tiebreaker at 10-6 with the Packers and the Rams that would put the Packers into the playoffs by conference record; if there is a two-way tie, the Rams are in because they beat the Packers; but if the Redskins are involved it becomes a three-way tie, with conference records the determinant.)

West Division

San Francisco: The 49ers have clinched the division title.

Los Angeles: The Rams get a wild card if they win next week at New England. Even if they lose, they can make it if Minnesota, Green Bay or Washington loses.

AMERICAN CONFERENCE

East Division

Buffalo: The Bills win the title by beating New York on Saturday, having the division tiebreaker advantage because they beat Miami twice and have a better AFC record than Indianapolis. If the Bills lose, they still win the title if Indianapolis and Miami both lose, or get a wild card if Indianapolis, Kansas City, Cincinnati, Pittsburgh, Los Angeles and Seattle all lose.

Miami: The Dolphins, if they win, get the title if Buffalo and Indianapolis lose and still can be a wild card.

Indianapolis: The Colts win the title if they beat New Orleans and Buffalo loses. A victory clinches a wild card with a 7-5 AFC mark.

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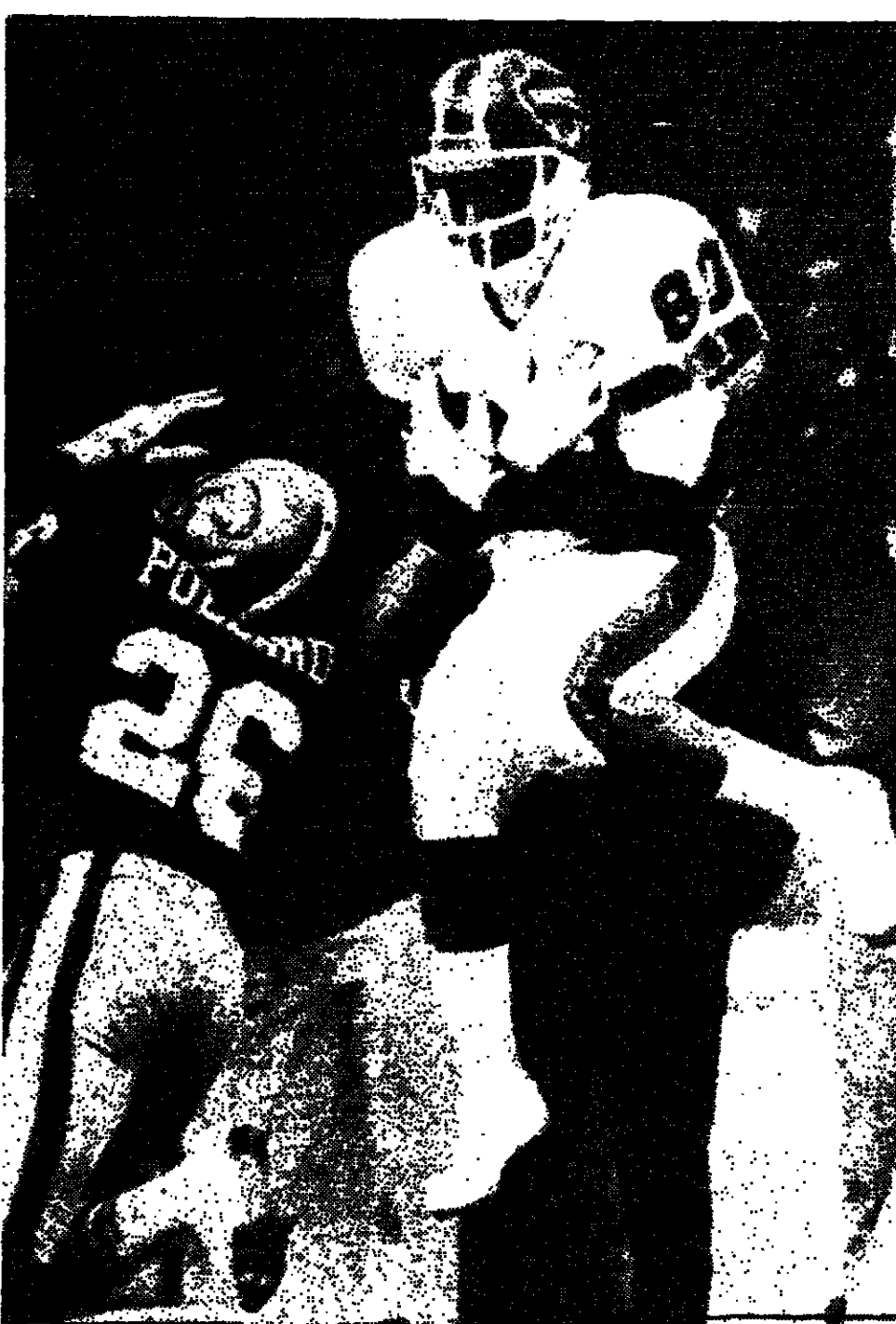
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Flip Johnson grabbed air, not the ball — and that was the least of the Bills' mistakes.

Central Division

Houston: The Oilers win the title if they beat Cleveland. If they lose, they will be a wild card if Cincinnati loses because the Oilers swept Pittsburgh, Miami and Los Angeles.

Cleveland: The Browns win the title if they beat Houston. If they lose, they will be a wild card if Kansas City loses and only one other wild-card contender finishes 9-7.

Cincinnati: The Bengals must win and get considerable help to be a wild card: Houston and/or Pittsburgh must be in any multiple-team tie since the Bengals lost to Miami, Indianapolis and Los Angeles.

Pittsburgh: The Steelers must win and have almost all the other contenders lose.

West Division

Denver: The Broncos have won the title.

Los Angeles: The Raiders must win and have any chance for a wild card.

Kansas City: The Chiefs must win and hope virtually all other contenders lose. If they win and Cleveland loses, the Chiefs have a potential tiebreaker advantage in conference record.

Seattle: The Seahawks must win and have Indianapolis, Buffalo, Cincinnati, Pittsburgh, Los Angeles and Kansas City lose.

Seattle led, 13-3, at halftime, but the Raiders came back in the first 5:34 of the second half to score two touchdowns on passes by Steve Beuerlein. The Seahawks then won the game on Krieger's 13-yard touchdown pass to John L. Williams, a running back.

"I was supposed to block on that play," said Williams, who had with 12 receptions for 129 yards. "Dave was scrambling and I decided to run down the field in the direction of his scrambling. He got a pass off and it was a good one."

The Raiders threatened again in the final minutes, driving to the Seattle 15, but Beuerlein sailed a pass over Mervyn Fernandez on fourth down with 1:28 left.

Rams 38, Jets 14: Jim Everett threw two touchdowns and Greg Bell ran for two in the first half in Anaheim, California. Everett completed 16 of 26 passes for 273 yards, rewriting his team record for single-season passing yards: 4,129 this year to 3,964 in 1988.

His touchdown passes went 25 yards to Pete Holahan and 43 yards to Willie Anderson, while Bell scored on runs of one yard and five yards to give Los Angeles a 28-7 halftime advantage.

Los Angeles logged seven sacks

of New York's quarterbacks, Tony Eason and Ken O'Brien.

Eason, making his debut for the Jets, did throw a 63-yard touchdown pass to Jole Townsend in the first quarter, and O'Brien connected on a 35-yard TD pass to Keith Neuber.

Redskins 31, Falcons 30: Washington overcame a 27-10 halftime deficit when Mark Rypien sparked three touchdown drives during a 3:38 span in the third quarter in Atlanta.

He connected with Art Monk on a 60-yard scoring play, set up Earl

Byner's one-yard touchdown run with a 68-yard completion to Ricky Sanders and ran nine yards for a TD. Interceptions of passes by Atlanta's Chris Miller set up the last two drives.

Sanders, Monk and Gary Clark became only the second receiving corps in league history in which three receivers each gained more than 1,000 yards in a season. Monk had 1,117, Sanders with 1,101 and Clark with 1,080. The 1980 San Diego Chargers' Kellen Winslow, John Jefferson and Charlie Joiner combined for 3,762 yards.

It was the fourth straight victory for Washington, and the sixth straight loss for Atlanta.

Falcon End Killed

Tight end Brad Beckman of the Atlanta Falcons was killed Monday, the second member of the team to die in an automobile accident in less than a month, United Press International reported.

Beckman, 24, a second-year player, was killed about 4:30 A.M. when the car in which he was riding on an interstate highway near Atlanta struck another vehicle in the rear, then veered across the road and was hit broadside by a tractor-trailer, police said.

Ralph Norwood, a rookie offensive tackle, died in a single-car accident near Atlanta on Nov. 24 when he fell asleep while driving.

In October 1988, a defensive back, David Croupp, suffered heart failure at his home after he consumed a mixture of fruit juice and cocaine. Authorities said the death appeared to be accidental.

Wyché: Only one regret.

These Bengals Are All Claws

CINCINNATI — And how did the Cincinnati Bengals feel about beating the Houston Oilers by 61-7 on Sunday?

"It's like playing against the bully in your high school," said quarterback Boomer Esiason. "You finally reach up and slug him in the teeth and he runs away."

Said the Bengals' coach, Sam Wyche: "Our only real regret there is that Lee Johnson missed that extra point" after a fourth-quarter touchdown. I must say it can't happen to a nicer team."

TRANSAG 10/25/89

BASEBALL

TORONTO: Trade Ernie Whit, catcher, and Kevin Brette, pitcher, to Atlanta for Rick Triaca, pitcher.

ATLANTA: Trade Rick Triaca, pitcher, to Toronto for Kevin Brette, pitcher.

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Only team captain Niki Pilić could lay a hand on Becker.

In Davis Cup, One Era Ends, Another Begins

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The nation that had prided itself on the depth of its tennis talent, despite a population of only eight million, had found its efforts to win back the Davis Cup blocked by a single player from West Germany.

Not that Becker is just any player. At 22 he has won Wimbledon three times, and is the current U.S. Open champion. He was responsible for all the West German points in the 3-2 victory over Sweden and claims he will soon take the No. 1 ranking from Ivan Lendl.

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Becker insists the West Germans' second straight cup win was due to good teamwork. But though Carl-Uwe Steeb, who beat Wilander in the final last December in Goteborg, Sweden, has improved his ranking by 58 places this year to 15th, he is still inconsistent in cup play.

Steeb lost to Wilander and Edberg in Schleyer Hall in Stuttgart and dropped one point in both the semifinal against the United States and the second round matches against Czechoslovakia.

Becker believes that West Germany can dominate in the 1990s. "We have a couple of younger players coming up and I hope that in two or three years we will be able to have a couple more top 20 players on the team," Becker said.

The Swedes, who have lost all four of their grand slam titles in the past 12 months, must negotiate a difficult path if they are to reach their eighth straight Davis Cup final next year.

In the second round they could face Austria, which beat Australia this year, and either the United States or Czechoslovakia should await them in the semifinals.

The champions, on paper at least, have an easier draw with Yugoslavia and either Australia or France among their probable opponents.

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